

THE BROOKINGS INSTITUTION

SAUL/ZILKHA ROOM

AN ALTERNATIVE VISION FOR ISRAEL

Washington, D.C.

Monday, June 25, 2018

PARTICIPANTS:

Introductory Remarks:

JOHN R. ALLEN
President
The Brookings Institution

Featured Speaker:

YAIR LAPID
Chairman, Yesh Atid Party
Former Finance Minister, State of Israel

TAMARA COFMAN WITTES
Senior Fellow, Foreign Policy, Center for Middle East Policy
The Brookings Institution

* * * * *

P R O C E E D I N G S

GENERAL ALLEN: Ladies and gentlemen, good morning. Welcome to the Brookings Institution. And to those coming in via webcast, you are most welcome to join us this morning. It's my pleasure to welcome you this morning on behalf of the Institution, the Center for Middle East Policy to this morning's event, an Alternative Vision for Israel. Before I go on, let me first offer my sincere thanks to Alan and Jane Batkin for their continuing support of this important series on the Batkin International Leaders Forum.

Today, we continue our program titled Imaging Israel's Future, a series where we explore domestic and foreign dynamics of Israel. As part of this program, Brookings has had the pleasure of hosting a wide range of distinguished Israeli leaders, including his Excellency, the President of the State of Israel, Reuven Rivlin, and leaders across the political spectrum from the Minister of Education, Naftali Bennett, on the right, to leaders of the joint list on the left. And this morning's discussion adds another meaningful contribution to our understanding of the future of Israel.

Today, we're very excited to host a Member of the Knesset Yair Lapid, Chair of the centrist Yesh Atid's party, which he founded in 2012. The following year, his party beat expectations in the elections and became the second-largest party in the Knesset. And he was appointed Finance Minister and a Member of the Security Cabinet. Now, a major opposition party, it pulls as the major challenger to Prime Minister Benjamin Netanyahu's Likud party, making Lapid a contender for the post of Prime Minister.

He entered politics in 2012, after a distinguished career as a journalist, a television presenter, author, and even a popular songwriter, and we won't ask that of you this morning, sir, I promise you, (laughter) unless you choose on your own. He's written several books, 11 of which have gone on to become best sellers, the most prominent

being "Memoirs After My Death," which he wrote lovingly of his father, Yosef Tommy Lapid, himself a Minister of the Israeli Cabinet.

And moderating a course of discussion today will be our own Tamara Cofman Wittes, a Senior Fellow in the Center for Middle East Policy who returned just yesterday from Israel, a country she knows, of course, so very well. Between 2009 and 2012, Tamara served as the Deputy Assistant Secretary of State for Near Eastern Affairs, coordinating U.S. policy on democracy and human rights in the Middle East during the Arab uprisings. She also oversaw the Middle East Partnership Initiative and served as a Deputy Special Coordinator for Middle East transitions. And I would be remiss if I didn't mention my personal admiration of this Israeli Statesman.

I've been involved in the Israeli-Palestinian peace process for a number of years now with my dear friend Martin Indyk. And I have to tell you, Yair, you have been an inspiration to many of us who've labored so hard to achieve a two-state outcome on behalf of Israel, preserving Israel's security and its strategic viability and ensuring the creations of a sovereign, secure and stable Palestine. Your voice of support, your presence in this process has been vital both to the progress to date, but also to our collective hope that it can yet be rekindled. So, please join me in welcoming Member of the Knesset Yair Lapid and Senior Fellow Wittes. Thank you very much. (Applause)

MR. LAPID: There is no way I'm going to beat the introduction.

(Laughter) You know, it reminded me of after the 2013 election. I was voted by the Jerusalem Post, the most influential Jew in the world. And I came home, I was very happy with it, and I said to my wife, "You know, I was voted the most influential Jew in the world." She said, "Honey, you're not even the most influential Jew in this house."

(Laughter)

MS. WITTES: Well, Yair, we did get you a handheld mic in case you

want to try out some new songs from the audience. (Laughter)

I -- in just a moment, I'm going to ask you about what brought you here to Washington this week, but I thought perhaps we could begin where John Allen left off, which is with the prospects for Israeli-Palestinian peace and the events over the weekend, the visit to Jerusalem of Jared Kushner and Jason Greenblatt to discuss the peace plan that the Trump Administration has reportedly been working on for many months. These two have been on listening tours galore through the Middle East. They've been to Jerusalem a number of times. They've been saying that their plan is almost ready, they'll release it soon.

And yet, through all these months of work, the conditions on the ground, especially in Gaza, which we'll talk about, as well, and in the neighborhood, those conditions don't seem to be getting any easier for making peace. We've had bloody clashes on the fence between Gaza and Israel, we have political crisis in Jordan, we have the Palestinians refusing to speak to the U.S. government because of the Jerusalem decision, and we have divisions amongst Arab governments over what they want to see in the plan.

So, my first question to you is, is this a good time for a new American Peace Initiative? Is this a good to try and move forward the relationship between Israel and the Palestinians?

MR. LAPID: Well, it's better than the alternative. Because there hasn't been a peace plan. Nobody was using the words "peace plan" for quite a while now. And whether or not it's good or bad, whether or not it's the right timing, it is always better to be proactive. Otherwise, I think that all the things you have mentioned are the result of this slow decline of not having any peace process or peace plan. Nobody really knows what exactly is going to be in this ultimate deal paper that they're going to put, including

the Prime Minister who met with them for four hours couples of days ago and said afterwards they spoke mainly about Gaza, which right now has nothing to do with this paper.

But having a peace plan and the fact that from the little that we know that they were, for example, discussing Abu Dis, which is a neighborhood outside Jerusalem, as the future Palestinian capital, in -- is maybe enraging the Palestinians, but this is a discussion about the two-state solution. This is coming back to the language of the two-state solution. And maybe we don't know yet. It sounds weird to some. A refreshing point of view is due. I mean, in 2014, I was part of the negotiating team. It was 11 round of bilateral talks since the (inaudible). These were tired people telling each other the same tiring things that they had for 20 years. And it was so obvious that this is just people talking for the sake of talking, so maybe a new or renew point of view on this is the right thing to do.

But going back to your question, I think the fact that we saw this attrition of the relations between the Israelis and Palestinians is the result of not doing anything in the peace process front.

MS. WITTES: So, something is better than nothing; a process is better than no process. If the American plan includes the possibility of a Palestinian capital in a neighborhood of East Jerusalem, something that would require Israel to give up perhaps Arab neighborhoods in East Jerusalem to Palestinian sovereignty, is that something you would support?

MR. LAPID: Well, this -- I've said many times I'm against any sort of division of Jerusalem. It's our capital. Nobody who was sitting in Washington would the Mexican ask for, for the division of New Washington would the Americans agree. And the -- and that -- I don't want to comment on something I didn't see. This is thoroughly

premature, but irresponsible. The question right now is not how they're going to draw lines on the map, it's how to create the mechanism and dynamics of negotiating.

In September 2015, I put up a plan to the Israeli people going into original conference with the Southeast Egyptian Rodanians Gulf countries, with exception of Qatar for almost obvious reasons. In all the many hours of discussion, discussing with Marty in order to find a new way of approaching this. This was right after the -- it's a bit -- a year after the Care Initiative, which came after the (inaudible) map, which came after the Barak terrible failure in Camp David. So, I felt we need a different way of discussing things.

So, sitting now and saying so, what is it that you're willing to give up on, moving into negotiation? Is the reason the Israeli public for many years now say, "We do not trust the Israeli left in running the negotiation," because they always tell you at the door what is it that they're willing to give up on. And this is not the way to negotiate in the Middle East.

MS. WITTES: Okay. I -- before we leave this topic, I just want to touch on Gaza. First, because it has been a recent and bloody crisis. Also, one that I think has presented a lot of troubling images and troubling outcomes to people in the west who care about Israel and about the Israeli-Palestinian conflict. And it seems as though Greenblatt and Kushner are focusing quite a bit of attention on Gaza, on how to address the humanitarian crisis there, but not necessarily how to link that to a broader Israeli-Palestinian process. Is Gaza first a good way to go and what if it were Gaza only?

MR. LAPID: Well, Gaza only is a bad idea and we have to deal with it simultaneously. Let me tell one thing about Gaza. I read many years ago, as I guess many of the people in this room are -- the writings of young Benjamin Netanyahu were about terror. And he said there that the first step is to try and put some sort of a barrier

between the terror organization and the people that is -- it is growing up in. Meaning, we need to deal with the humanitarian crisis in Gaza, regardless of what Hamas is doing, and we need to be tough on Hamas, regardless of the humanitarian crisis. It's a new version of Reuven's, "We'll fight terror like there's no negotiation and we'll negotiate like there's no terror."

So, the fact that they in Gaza are -- I mean, Israel is not to be blamed for what is happening in Gaza. Hamas is the only ones to be blamed, but it doesn't make it not our problem. It is our problem. If you have only four hours of electricity, if children has no schools, if there are no -- then there's no supply of medicine. There's an example I always use talking to Israeli crowds about this. They say that every day, about the million-and-some liters of sewage are coming out of Gaza to the sea and into the Ashkelon Beach. So, in the Ashkelon there's the largest solilitation (sic) -- how do you say, this --

MS. WITTES: Desalination?

MR. LAPID: -- desalination factor in Israel; 15 percent of our water is coming from there. This is not the pleasant thought that this is what we're drinking, Gaza sewage. And this is something, you know, this -- it's a tangible example. So, we need to deal with the humanitarian crisis in Gaza.

MS. WITTES: Is it a problem for Israel that the U.S. has cut aid to the UN agency that served Palestinian refugees in Gaza?

MR. LAPID: Well, I think it was due because the UN agency is abnormally. It's -- it doesn't make any sense for the Palestine -- and we've been talking about this for ages. Doesn't make any sense for the Palestines to have their own refugee agency beyond the UN Refugee Agency, period. This is -- this has become a factory that produces refugees. In 1948, UNRWA itself -- it's actually 1949, UNRWA itself said that

there are 760,000 refugees. Most of them died in 70 years. And yet, we have 5.5 million refugees.

Not many were expelled in '67, so it's just -- what happened is that you can be born in (inaudible) in Paris or in New -- in Manhattan and be considered and have the rights of a Palestinian refugee. And the Arab countries are merging these refugee camps in order to make sure that they will have still have this card on Israel. And the UN -- the UNRWA, the UN Palestine Refugee agency, is encouraging this. The majority of the people who work for them are Arabs or Palestinians. The money's coming in, as long as there are refugees.

So, the fact that this Administration is saying, "We need to put a stop to this and we have to start some -- sometime," makes sense to me. Now, we will have to, like, any and every transition is always painful and we'll have to take some measures to make sure that, for example, 280,000 students are -- will not take the streets because UNRWA is --

MS. WITTES: Two-hundred-eighty-thousand Palestinian students in Gaza --

MR. LAPID: Yeah, in Gaza.

MS. WITTES: -- you're saying?

MR. LAPID: I don't know if they're taking it out to the street because it doesn't make any sense, but somebody needed to start this process and it's a good thing that they did.

MS. WITTES: Okay. Let's move on to the purposes of your visit here to Washington. And you spoke to the times of Israel a few weeks ago for the 70th Independence Day and you said then that Israel's relations with America look great on the surface because President Trump is so supportive. But that there's a problem, which

is that all the eggs are in one basket, so to speak, that relations with other parts of the American political spectrum, the relationship with the American Jewish community, other segments of society are breaking down. Can you tell us a little bit how you see what's working and what's not in the U.S.'s relationship? What is it that you've come here to do?

MR. LAPID: We will start with the relationship. We have -- I mean, Israel was always a bipartisan issue and everybody was -- throughout these really political history, was very keen about making sure this stays a bipartisan issue. We had Democrat Presidents, Republican Senates, so on and so forth, and it was always a bipartisan issue. And it has become not as much so, to be very careful about --

I mean, I -- there's anger within the Democrats that we cannot ignore about the affiliation and the kind of language that our current government is using, it is -- I mean, this is not by chance that the American Ambassador to Israel said that Republicans' likes is real better than the Democrats and by that hinted that Israel likes the Republicans better. It is disastrous. We -- I mean, two years from now -- I mean, I appreciate the kind of friendship and even warmth the current President has shown to Israel.

I was all for the removal of Embassy to Jerusalem and the recognition and Jerusalem. And yet, when I sat there in the event in the Embassy and looked around me and saw more pastors than reform Jews -- and, you know, I met with the -- there was a delegation of Senators: Lindsey Graham, Ted Cruz. So, we had coffee at the King David Hotel and we were just chatting. I said, "How come there's no Democrats?" Joey Biden was there, but Joe is --

MS. WITTES: No longer a Democrat.

MR. LAPID: Thank you. (Laughter) I appreciate. (Laughs)

MS. WITTES: Okay, but it sounds like you're implying that the problem here is a Republican Administration that's not reaching out and including Democrats; is that what's going on here?

MR. LAPID: Well, and the American government was not reaching out. You know, and that night, just to finish the story, I came home, I called my friend Ted Deutch. I said, "Are you crazy? I know you were all for the removal of the Embassy. How..."

MS. WITTES: The Democratic Congressman --

MR. LAPID: Yeah.

MS. WITTES: -- from Florida.

MR. LAPID: Democratic Congressman from Florida, great friend of Israel and mine. And I said, "Ted, how come you haven't Congressman? How come you haven't come?" And he said, "Well, I called them and I wanted to come, but nobody answered the phone." Now, the Israeli government had to have the least. They had -- they knew who was invited and who was not invited and the fact that nobody go -- got up and said, "Hey, we have to have some Democrats here. We are a bipartisan issue," is a huge mistake. And what is even worse, it is -- it has become a common mistake within our government, our current government.

And this is also coming in a period in which we have a different problem which is also interlinked with the American Jewry, the cancellation of the cotton of the Wailing Wall framework, that -- the conversion bill. All those issues, the fact -- you don't want that -- the minister of religion came into (inaudible) podium and said that for him, reformed Jews are not really Jews and they're anti-Semite. And nobody said, you know, "You can't -- you're not allowed to speak this way."

So, we came to a point that (laughs) Israel is the only western

Democratic country in which Jews have no freedom of religion. (Laughter) Yes. And we have to make sure that our government will do something about it. And our current government is not. It is -- I understand why is it politically convenient to the Prime Minister in his current -- in the current state of the (inaudible) to be glued to the Trump Administration. But on the long run and -- long run and even on the medium run, this is a very, very bad idea.

What -- comes November, we might have a Democratic Senate. Comes 2020, two years from now, we might have the President for another term, but we might have a Democratic President. And these are going to be Democrats with a lot of bad memories. And they're not going to get as many colds as they did three, four, five, 10 years ago from American Jews telling them, "You know what? Israel is our issue." We were discussing the fact that it struck me that Israel is now facing a problem that United States has to be part of the solution for, which is the Iranian presence in Syria.

And the -- it is -- and, you know, 10 years -- not 10. Five years ago, in the same situation in which the Iranians are penetrating Syria, there is an imminent threat, there is -- Russia is calling all the shots. Immediately, all around the United States, people will call the rabbis and the rabbis will call the Congressman, the Congressman will call the Senate, the Senate will call the President, telling them, "You know what? You cannot allow this. We have to get involved." United States have to do a thing, which it's saying which is being the superpower that it is on Syria. Nobody's doing this right. The silence of the American Jewry is alarming to me and is the result of the fact it -- the way it was mishandled in the last few years.

MS. WITTES: To be perfectly honest, I'm not sure that the American public were calling their Congressman and asking for the U.S. to get involved in Syria five years ago, either. But what is it that you would like the United States to be doing in Syria

right now?

MR. LAPID: I'll give you -- I disagree with you, but it's not the first time, so we'll be fine with -- (laughter) Yeah. Part of the reasons or the main reason I came to the United States is pushing forward an American recognition on the Israel serenity on the Golan Heights. I brought you a present, by the way, because this is also an historic argument. So, this is a coin, a replica of a coin that they found -- they find on the Golan Heights. It's from somewhere between '67 and '73. The wars are always on the same years, '67 and '73, (laughter) AC. This is part of the revolution against the Romans. It's a Jewish coin, it's written in Hebrew on it. It's just to show that the presence of Jews in the Golan Heights was there 2,000 years ago.

So, historically it's ours, strategically it ours. And you know what? Even the people who didn't want to recognize our serenity over the Golan Heights have to admit to the fact that we cannot return the Golan Heights to somebody who just killed half-a-million people of his own people and dislocate another 11 million. So, nobody's going to give it back to Assad. And five, 10 years ago, this would be a perfect way for the United States to tell Russia, "You know what? You're not calling all the shots," to tell Assad, "You know what? We're going to make you -- here is our way to make you pay a price for what you did, a moral price for what you did," and to tell Israel, "We support your fight in the Golan Heights and we see the Iranians. We're doing something about it, which is recognizing what is so obviously true, that the Golan Heights is Israeli."

I mean, the Syrians, by the way, ruled the Golan Heights only for 21 years. We've -- we have declared it -- our serenity on it during the '80s. So, here is an example and this is something we could have drafted the American Jewry easily five, 10 years ago. Now, the feeling is they're saying, "You know what? If you don't like us, we're not going to go out of our way to help you," and this needs to be addressed. I have high

expectations, by the way, and it's an opportunity to congratulate Bougie Herzog for being elected head of (inaudible). I think we need a different dialogue and I think it's time to start a discourse over this dialogue.

MS. WITTES: Okay. So, let's come back to the Golan for just a minute and it's very timely. I spent a full day up on the Golan last week, getting an update, security update on who's on the other side of the line and there is now there some Syrian regime forces, there are Isis affiliated militias, there's are Al-Qaeda affiliated militias. And on and off over the last few years, there have been Iranian affiliated militias, as well. So, there's no question that it's a tremendously dangerous environment in terms of Israeli security. And if Israel's objective since the '67 war has been to maintain these heights to secure Israeli territory, you can see how the argument is even stronger today.

At the same time, Israel's own parliament has not extended sovereignty the -- to the Golan, it has not claimed the Golan as Israeli territory that way it's done with Jerusalem. It's extended Israeli law to the Golan, but successive Israeli governments have been very willing to negotiate with Syria over the future of the Golan. There is, in fact, an international border, which is not the case between Israel and the West Bank. So, what's the argument to the United States for why it would be legitimate to recognize Israeli sovereignty over the Golan?

MR. LAPID: First, if I may correct you, Israel annexed the Golan Heights in '81. It is -- it was -- I mean, it is -- the serenity was declared. There were negotiations about the possibility of rejoin. Every country can decide to change its own border for strategical reasons, but there's no way it's going to happen now because think of it, of what you just said, the other way around. How horrific it could have been if we have left this strategic area -- which is, by the way, the size of a medium ranch in Texas (laughter) to Assad.

MS. WITTES: A ranch with very good wine.

MR. LAPID: A ranch -- I agree. (Laughter) I agree. But no oil.

(Laughter) So, think of it this way. Think of it that we had everything that you have just described. (Inaudible), which is the Al-Qaeda affiliate, and Isis and Assad himself and Iranians and the Shiite militias, which is Pakistanis and Iraqis, overlooking Israel, being with the ability to bomb (inaudible). So, obviously, it's not going to happen. And it's an opportunity for the world to say something very loud and very clear about international law, about the price you pay for killing your own people and being a mass murderer, and about the commitment to the security of the one democracy around.

Here -- here's the thing. In the Golan Heights, there are 22,000 -- approximately, 22, 23,000 Jews and 22, 23,000 Jews. As long as Israel is ruling the Golan Heights, obviously, the Jews got, you know, the full citizens. They can vote if they want, they have -- they get schooling, hospitals, everything, and they're secured. Just think of it if they'll -- they move the Golan Heights to the hands of Assad for 10 minutes. You will have 22 dead -- thousand dead Jews on the ground because this is what they do. I mean, somebody who doesn't even care about killing his own people, why would he care killing Jews? So, the Golan should be ours and there is -- there are ridiculous mistakes that the world is doing.

For -- I'll give you an example. The Europeans, for example, when they labeled products from the territories, they included the Golan Heights, talking about the Palestinian issue. There's not a single Palestinian living in the Golan Heights. These are only Jews. And yet, the labeling product, the wine you were talking about, they're labeling it and said, "Yeah, maybe we cannot buy this in Europe." So, the United States has an opportunity to say something clear, just, and strategically right.

MS. WITTES: Okay. So, for a moment, I'm going to be a cynical realist.

Whether I --

MR. LAPID: Well, what were you before then? (Laughter)

MS. WITTES: That's a longer conversation, my friend. (Laughter) So, maybe I was a cynical realist in the Obama Administration, maybe I'm a cynical realist in the Trump Administration. I would say to myself, "Well, when the Assad regime controlled its side of the border, Israel had -- that was the most peaceful border Israel had. Yeah, they've had a horrific civil war, but it looks like Assad is winning. So, why not go back to the status client, let Assad control that side of the border." If the United States were to take a step like this, wouldn't it just be provocative? Might it not make an Israeli confrontation with Iran or with the Syrian regime or with militias in Syria, might it not make confrontation more likely? Wouldn't this be destabilizing?

I mean, we've had over the last six months numerous occasions in which Israeli forces reportedly have carried out strikes inside Syrian territory against Iranian targets and Iranian associated targets. And this was a red line for Israel, to keep Iran from entrenching itself militarily. Inside Syria, if we were to take this step, might that not simply provoke a confrontation that Israel seeks to avoid?

MR. LAPID: Well, my answer to the realist cynic is, we saw in the past seven years what happened in the Middle East and also in other places in the world when people feel or leaders feel -- especially autocratic ones -- that there is a possibility of crime without punishment. Think of the Syrian civil war if President Obama -- this is already five or six years ago -- has ordered the ships to bomb, saying, "We will not tolerate this. We are behind what we -- well, we're -- and we're not going to tolerate this and you cannot kill people like this and we are not willing to look the other way when you bomb children with chemical weapons."

And the fact that -- listen, what happened in Syria is that the bad guys

won the war and the bad guys won the war because the world has let them win the war. So, what we need now is for the people of the Middle East to know that there is a punishment to a crime. Now, I understand because this is now two Administrations in the world that this is not going to be boots -- American boots on the Middle Eastern ground. Okay. I mean, I think on the long run it might be a mistake, but I understand the atmosphere, the American (inaudible). So, here you get an opportunity to punish the bad guys and to make sure people understand that this doesn't go -- you don't turn a blind eye to things like -- well, to the things that happened in Syria. So, I think it's realistic. I think the cynicism is not being involved when crimes of that magnitude is taking place.

MS. WITTES: Okay. One more quick question about the Golan and then we'll move on to domestic politics; I can't help myself. Right now, the Syrian regime is beginning an offensive, driving toward to the south to retake areas very close to your border and very close to the border with Jordan, including Deraa, where the revolution first began in 2011. And they're bombing heavily, the Russians are bombing these towns, as well, and Syrians are fleeing to the south. We're already seeing them start to show up along the fence that Israel has up on the Golan.

Now, over the course of the war, Israel has quite laudably, I would say, accepted and treated over 2,000 Syrians who were wounded, came across the fence, got medical treatment in Israel, and returned to Syria. If you were Prime Minister and you were confronted with this situation where there are hundreds or thousands of Syrians fleeing violence against the fence, begging to be let in, would you let them in?

MR. LAPID: Well, the problem is how not to create an Israel immigration crisis like the one they had in Europe. I mean, the European immigration crisis started with the Syrian civil war. It started with the Iraqi civil war, but mostly Syrian civil war. Israel cannot afford to have an open border up north due to security reason.

MS. WITTES: But Israel also knows what happens when Democratic countries don't let in those fleeing --

MR. LAPID: Agree.

MS. WITTES: -- genocide --

MR. LAPID: I agree. And we don't want to become Switzerland in the '40s. So, we did our best, which is the one thing you can ask a country and a person to do. Meaning, we -- taking in, as you have mentioned, as many, especially wounded children, to be treated in hospitals and to be rehabilitated. And we did our best to make sure that the people on the border are being helped the right way. But you cannot have -
- I don't want to get into the subject of countries and borders in the United States in this time, but (laughter) yeah.

MS. WITTES: Are you sure?

MR. LAPID: Yes, I am. (Laughter) Very sure. It is the one -- yeah.
(Laughter) What I'm saying is, Israel cannot afford to have an open border with countries we have a war with or an ongoing conflict with. You have -- you didn't mention when you have all the enemies that there's also there Hezbollah, which is the largest terror organization on earth, aiming at us. Approximately or something between 130, 140,000 missiles as we speak. So, with that kind of threat, you can't just open the border and say, "Okay, we hug you all. Come." So, if you take into consideration all the security risks involved, I think we did well. You know what? We did our best and this is not something you can say about everything that was involved in this conflict.

MS. WITTES: Okay. You have said that democracy means sometimes you will be in government, sometimes you will be in opposition. You have been in government; right now, you're in opposition. But you've also said in some of your interviews to Israeli papers that the current Israeli government has convinced itself it's

going to be in power forever.

The polls actually suggest that this government might keep winning elections. The latest Channel 10 poll puts Yesh Atid very strong with 18 seats, but Likud has 31 seats. That same poll, asking Israelis who they -- whom they would prefer to have as Prime Minister, 39 percent of Israelis still say Beebe is the best candidate for Prime Minister. And while you are the second name mentioned, you're not the second choice. The second choice is, "I don't know." So, how do you change that reality? What is the case you make to the public that there is a real alternative and it's you?

MR. LAPID: Well, first of all, while not getting into the polls, if I might add, a few month ago it was the other way around. And (inaudible) has the best months of his political with the removal of the Embassy, with the cancelation of the nuclear agreement, with -- we even won the Eurovision Song Contest. (Laughter)

MS. WITTES: Now, this is a big deal.

MR. LAPID: Yeah. Apparently, Natalia was doing the vocals. (Laughter) And so he had -- and, of course, the conflict up north was working in his favor. But these are all good things for Israel, so I'm happy about this, even if it translates to a hit on the polls. And you look back a few month before and I was leading on the poll -- on the same -- on the -- with the same polls. So, these are time of very strong movements within Israeli society. It's just shaking. And it will shake its way all the way to the election.

And I think the message of -- this is, I mean -- in the United States, every -- I've been following American politics for as long as I can remember. In American politics, usually the President is the opposite of the President before him. I mean, you cannot think of two people more different than Trump and Obama, unless you think about Obama and Bush or Bush and Clinton, so on, so forth. Yeah. In Israel, this is not the

same way because people are more hesitant about changes. But still, if you look at Israeli political history, it is not conservatism and hope, but it is pessimism and optimism. And I think we are now moving towards an election which -- in which message of careful optimism will be a winning call saying, "You know, we can do something about it. We can do something about corruption. We can do something about -- on the policy in front."

May not be as dramatic as some of us wants, it may not be -- (laughter) I mean, we don't want to shake the earth, but it's time to move forward. It's time for Israel 2.0. It's just -- and not to -- it cannot be in a defiance way. It has to be -- but it has to be an optimistic move forward and I think it's -- it can work. It's doable. We, of course, try to deal with it with professional tools, polling it and -- but there's something -- it's -- the next election's always the question about, what is the election about? Is it about security, is it about -- in 2013, when I was running for the first time, it was about the economy. In 2015 was security.

I think the coming election is going to be -- I know it's going to sound weird. It's going to be about the spirit of the nation. What kind of Israel do we want? What kind of country do we want to live in? Who do we affiliate with -- our self with? What kind of people we want to be? And this has become, you know, when I started talking about it and two, three years ago, people looked at me like, "It's, you know, it's not," they didn't know, "What are you?" I go out now --

MS. WITTES: So, what's your answer to that question?

MR. LAPID: That we have to be a western democracy, vibrant, vital, smart, technological, totally problematization. There's no dispute about globalization in Israel. And optimistic in the -- in terms of our ability to do something about those things that our current government is just saying, "You know what? It's very -- yes, it is very, very tough."

I saw in Tribute today a quote today from the Prime Minister. I -- I'm very careful about saying anything about the Prime Minister when I'm abroad, in English, into - - but this is, I think, objective enough. He said, "You know, in Israel, the prices of dairy are 130 percent of the prices of dairy around the world." You're the Prime Minister. You've been the Prime Minister since 2009. I mean, actually, you've been the Prime Minister for 20-some years with breaks. If you think it is wrong, go and do something about it; this is the job.

So, I think what we need now is a government who thinks its job is not to eloquently describe the problems we have, but go out there and solve them.

MS. WITTES: Okay. Let me open it up to questions from the floor. I'm going to do my best because I see a whole lot of hands springing up. We are going to start on this side of the room, all the way against the wall. And I'm going to ask you, our time is short, folks, and there are a lot of you, so I'm going to ask you, please, number one, identify yourself briefly. Number two, one short sharp question. Go right ahead.

QUESTIONER: Marsha, I'm (inaudible) I'm a member of Atlantic Council. As an Iranian-American, many of us are not very happy with the Iranian support of the Hisbah law and we think the Iran should change its position. Iranian and the Jews have a history going back to biblical times. There are more 25,000 Irani -- I mean, Jews in Iran right now, second-largest Jewish population after Israel. They have the representative, Majlis. They practice, go to their synagogue freely. We have a water crisis in Iran right now and this is -- has become very catastrophic and it's getting better -- I mean, getting worse as time goes on.

The Jewish engineers has always in the past helped the Iranians. And I thought that, wouldn't this be a great opportunity for the Israelis to approach Iranians and use these as a track to diplomacy and somehow mend this tension that has been going

on between these two countries. Thank you.

MR. LAPID: Well, we can send some water engineers to Iran, but how are we going to get them back? (Laughter) And there is no -- it's a valid question because there's no -- there is no history of hostility between the people. Interestingly enough, you go to some -- to several Arab countries. You -- the regimes -- I don't know if they're pro-Israelis, but you talk to them, they're all for improving their relations with Israel. You go down to the people and they're full of hatred. In Iran, it's the other way around. The regime is very anti-Israeli and the people or at least most of the people has even good memories from the '70s. Actually, there's only thing that -- there's thing that always bothers me was, you know, for 20 years now, you can see those demonstrations in Tehran Square where they burn the Israeli flags. Where did they get all the flags? (Laughter) Is there a factory of Israeli flags in Iran? (Laughter)

So, going back to what you said, you know what? There's something that Americans don't care about, which is the World Cup now, the real World Cup, which is soccer. And so I was watching a game of Iran and Spain, I think, in television and then, you know, on -- in the break, they moved to the Bateam street and there was a bunch of Israelis who are supporters of the Iranian national team with flags and shirts and yelling and they have songs.

And a) I wonder what would have happened to a bunch of Iranians cheering for the Israeli team in Tehran, but aside from that, the base for future friendship is there and it's always a good idea to try to explain to the people of Iran the benefits of improving their relations with Israel, which is at least a technological -- I don't know if it's superpower, but power in the Middle East.

MS. WITTES: Thank you. We're going to go over here to the side.

QUESTIONER: Oh. Thank you very much. Benjamin to no current

affiliation. Staying with soccer, I wonder if you could comment on the chance of, "Kill the Arabs," at Israeli sports events and in particular, on the controversy over the Beitar team, when it hired or took on two Muslim players, there was a -- the fans boycotted the games and so on. And please also say something about the Familia -- La Familia organization behind these events and how -- and bring us up to current events on this issue.

MS. WITTES: Thank you.

MR. LAPID: Well, this is, of course, despicable. These are -- these people are a disgrace to the country. They, you know, they're a disgrace for their own team. And no Israeli -- I mean, it's a fraction. It's not that -- I mean, it's not that everything about the Israeli-Arab relations is civilized, but this is the kind of language of fanatic football fans, some of them very young, who some of them don't know what they're saying. Again, should be -- every person in his right mind should be very loud and very clear about the fact that we do not accept that kind of language in the Israeli democracy and this is disgrace -- it's just disgraceful and terrible.

MS. WITTES: You know, yeah, Yair, we have --

MR. LAPID: There are no Israeli Arabs on the team. It's also -- it's shameful, the fact that the owners of the team are listening to this little group is shameful. And besides, they're missing out on great players. There are players in every other Israeli team and the fact -- you know what? They didn't win the championships for a long, long time and maybe because they're missing out on great players.

MS. WITTES: Okay, but some would say that this kind of rhetoric is not only seen among a fringe of racist of fans of Beitar or Shalime, but also among some supporters of parties in the current government that we see some rhetoric on the right in Israel demanding loyalty oaths or loyalty tests for Arab citizens of Israel. Can you comment a little bit on the broader --

MR. LAPID: Yeah.

MS. WITTES: -- climate?

MR. LAPID: Well, there is a rise of the -- it's not even -- I don't know if it's numbers. There were -- it's no longer in Israel. The word discourse is almost ruled by now -- not by now, by activists. By the people who are saying the wildest, craziest things. So, you know, sometimes when people ask me about my party, I say, "We're not even left or right," because this is not the conflict anymore. It is between people who are just staying crazy stuff and people who are talking about sanity and responsibility and trying to figure out how to solve problems. But social media and the fact that everybody now has an ability to eat and run has made the world into a less civilized place and we have to deal with it.

Now, if you look at the political arena, the global political arena, you can see now the backlash. I think the height was around 2016. I mean, the American election, Brexit. Now, afterwards, you see Macron rise to power in France, Merkel wins again elections, the (inaudible) I think are going to win the next election, in Spain, they're also a centrist party. Rothtime, the Netherlands. These, we, you know, it's not a big group, so we all talk to each other.

MS. WITTES: The coalition of the center?

MR. LAPID: The coalition of the center. We meet and we talk to each other and it's always about the same thing, about how hard it is to get the message through without yelling, without cursing, without having 2,000 exclamation marks after every sentence. And one day, we were at the IDA or the ALDA, IDA conference in the Netherlands and we were sitting and talking about this, a few -- three Prime Minister and three -- and I said, "Yeah, but guys, look around you. We're winning. Slowly, gradually, but in the last two years, we're winning because there are more and more people like this

room who are saying to each other, 'Well, enough with it. This cannot be the kind of discussion we have in the world. We have to go back.'"

It's, you know, it's -- my friend (inaudible) the discussion is the -- actually, the biggest contribution the Jewish people has gave to the world. So, we have to go back to that kind of discussion. And also, in Israel, I think eventually this is going to win because we are -- it's part of our will to survive, we'll translate into this.

MS. WITTES: Okay. We have a question down here in front from Ambassador Indyk.

AMBASSADOR INDYK: Thank you. Martin Indyk from Brookings. Yair, it's very good to have you back here. Last time you were here, you put an idea out, which was the promotion of regional peace. And today, you might say there's more prospect for that than ever before because of the common interest against Iran that Israel has with the Sunni Arab leaders. But I want -- wonder if you would reconcile that with your new idea about annexation of the Golan Heights, which would be a direct contravention of UN Security Council Resolution 242. And that is something which Sunni Arab leaders, especially in the context of regional peace, will insist upon. So, I just wonder how you reconcile those two ideas.

MR. LAPID: Well, not for the first time, Ambassador, I completely disagree with you. (Laughter) I think, you know what, actually not for the first time today, I completely (laughter) disagree with you because we met before. (Laughs) We had coffee before. I think the exactly the same axis of Sunni countries right now do not care about the Golan Heights, do not care about Syria. Looks at Assad as part of this Iranian circle of influence. Looks -- knows enough to know that he came back to power on the bayonets of the Hezbollah and the Shia militias that was sent over.

So, I think unlike other things, unlike the big issues, right of return,

Jerusalem, I think this is an easy sell. They don't care about this. They -- and I'm -- I will say carefully, I'm saying this not because I speculate, but because I think I do know that they don't care about this. If -- interestingly enough, they were -- they are amazed by the fact that the United States didn't stick it to Assad in more terrible ways long before than the now. So, I disagree. I think it's doable and I think they will not say a word about this. They will say to Assad, "Well, it's your cake; you cooked it. Now you're going to eat it." That's the way it's going to play.

MS. WITTES: Okay. Let's see if we can fit in a couple of more. We'll start right here in the check shirt, right there. And I think, Yair, if it's okay with you, we'll take a couple together and then --

MR. LAPID: Sure.

MS. WITTES: -- come back to you. Go ahead, please.

QUESTIONER: How much influence do you guys think that Sheldon Adelson's having on the situation?

MS. WITTES: The situation inside Israel? Can --

QUESTIONER: Overall, especially from the New York article by (inaudible).

MS. WITTES: Ah, the New York article about Sheldon Adelson and his role with the Trump Administration. And then here in the lavender sweater. Down here, third row. (Laughter) Yeah. There we go.

QUESTIONER: You mentioned a lot about how you were expecting more help and assistance from the American Jewry. Throughout the --

MS. WITTES: Introduce yourself, if you would.

QUESTIONER: I'm sorry. My name is Sasha; I'm a writer. And you mentioned a lot about American Jewry and how you were kind of expecting, you know,

the people to get on the phone to call the rabbi to call the Senators. Over the last five, 10 years, there's been an increase in American Jewry kind of stepping away from Israel. Have you seen that and what do you think we can do to counteract it?

MS. WITTES: Okay. So, two questions about American Jews and their role and the U.S.'s role relationship.

MR. LAPID: Yeah. Maybe I can answer her question and this way I can ignore the Sheldon Adelson question. (Laughter)

MS. WITTES: No. No, yeah --

MR. LAPID: No?

MS. WITTES: -- Yair, you can't.

MR. LAPID: Well, I think -- well, Sheldon Adelson has his -- is the owner of a very big influential Israeli newspaper, he's great friends with the Prime Minister, and therefore he has an influence. I think nothing wrong with people who are involved and care, as long as we can sometimes agree and sometimes disagree. So, I'm not going to sit here and -- that -- that's about what I have to say about this. I mean, I am more worried using -- connecting those questions about Jews who dis-attach themselves from Israel than I am about Jews who are very attached to Israel, but sometimes make mistakes. At least they care. This -- I mean, Mr. Adelson cares.

I really like the fact that he was trying to join forces with Mr. Saban, for example, fighting BDS, fighting the anti-Israeli wave. I thought it was a move -- everything which is bipartisan I support. Everything which is contributing to the partisanship is -- to me, is not a great idea. So, you know, as long -- but we can have an open conversation about this, which moves me to your question elegantly, I would hope.

Yes, there is a dis-attachment and especially within your generation. A great friend of mine was a famous journalist in the city, talked to me about his children.

And he said, "You don't understand what's happening. It's not that the young Jews are not going to be out there supporting Israel. They're going to lead their attack because they're going to the campuses and then they understand that if you want to be involved in the hype of -- that is created by Black Life Matters and feminist organization and so on, so forth, then you have to be an anti-Zionist, as well, because it's part of the same language now. And we did poorly fighting it and, again, the fact that the current government is partisan, meaning affiliated itself only with the Republicans is contributing to this.

And besides, it's -- it has become a -- there was a point when people felt insulted and it's a bad idea to insult your family. I mean, I am here within family and I think, you know, having a family is not -- I mean, I have children, so I know that having a family is not only about privileges, but also about duties and the way you're going to handle it. And therefore, I think we're doing something wrong and we have to fix it and this is part of my life mission. I -- (inaudible), I think, was the one who said that the -- if you're the Israeli Prime Minister, then you're also the Prime Minister of the Jewish people. So, it's a little megalomaniac, and yet there's something true in it.

My late father used to say that when he walks into a room, the first he's doing is looking for the one Jew in the room. Because he had -- he was a Holocaust -- he had the Jew detector. He could tell. (Laughter) And I always asked. I said, "Why?" He said, "Because he's the only brother I have in this room." And we have to go back to this. I apologize to all the Gentiles in the room. (Laughter)

MS. WITTES: Yair, I want to thank you for taking time during --

MR. LAPID: Thank you.

MS. WITTES: -- your trip here to be with all of us to share these ideas (applause) and we wish you luck.

MR. LAPID: Thank you so much. (Applause)

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2020