



The Ambassadors Series: A Discussion with Ambassador Danny Danon

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- Ambassador Danny Danon, *Israel's Permanent Representative to the UN*
- Walter Russell Mead, *Ravenel B. Curry III Distinguished Fellow in Strategy and Statesmanship, Hudson Institute*

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TRANSCRIPT

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SARAH STERN: Good afternoon. Good morning it says, but I think it's afternoon. I am Sarah Stern. I'm chairman of the board of trustees here at Hudson Institute, and I welcome you to another in our series of ambassador conversations with our esteemed colleague Walter Russell Mead. Today it is my very great honor to be able to introduce Ambassador Danny Danon from Israel. I've been with...

(APPLAUSE)

STERN: As you know, he's Israel's permanent representative to the U.N. starting in October 2015. Before he was ambassador, he was a member of the Knesset. From 2009 until 2015, he served as deputy speaker of the Knesset and chair of the Committee on the Rights of the Child. He was deputy minister of defense and also minister of science, technology and space. As you probably know, he served in the IDF and he's been chairman of the World Likud and chairman of the World Betar Executive. Important to me is that he is an incredible force in the U.N. I've seen him in person. If - I'm a New Yorker. He's a New Yorker now. And he's a diplomat par excellence. So it is terrific that we have Walter Russell Mead here to ask some questions. I've heard Danny be interviewed any number of times in the last six weeks, and it's always fascinating. But sometimes, he is such a good diplomat we don't get all the answers. Walter, you may want to ask him what's the best Israeli food in New York. I can't get the answer from him.

(LAUGHTER)

STERN: Walter is the Ravenel B. Curry distinguished fellow in strategy and statesmanship here at Hudson. He's the Global View columnist at The Wall Street Journal. He has a column due tomorrow, so we got to let him go. And he's also a professor at Bard College and has done not - a whole lot of important things before that. His next book, interestingly, is "The Arc of a Covenant: The United States, Israel, and the Fate of the Jewish People." We are delighted to have both of you here, especially that Ambassador Danon is not going to - going home, as is his prime minister. There have been some tragic events over the next - over the last 24 hours, and I expect we'll learn more about that today. Thank you very much.

(APPLAUSE)

WALTER RUSSELL MEAD: Thanks, Sarah, for introducing us and for your leadership at Hudson. It really is much appreciated. So Ambassador Danon, we hear that there's been a rocket attack in Israel - and not just anywhere in Israel but in your own personal neighborhood. Can you tell us what you know about this?

DANNY DANON: Good afternoon. Thank you, Sarah, for that introduction. I'm not used to that at the U.N. - hearing such introductions. Thank you all to - thank you for coming. Yes. You know, Prime Minister Netanyahu will meet President Trump and will head directly to the airport to fly back to Israel. He will not participate in the AIPAC conference because of what happened there last night. A missile from Gaza was launched all the way north of Tel Aviv right to the community - the village where me and my family live in Israel. It's called Mishmeret. It's a very small agricultural community, about 100 families. And the missile launched and hit one of the houses. The family ran to find shelter, but a few people were injured. Seven people now are being treated in hospital. So it was a major attack by Hamas.

We started, as we speak, to retaliate. And then I am sure when the Prime Minister will land, he will meet with the head of the military. And they will strategize how we react to that. And we cannot sit idly by when Hamas is targeting the civilian population in Israel. Hundreds of thousands of people woke up in the middle of the night because of the sirens. This is the meaning of terror. When you put an entire country under the threat - under the fear of another attack - and today we hear Hamas saying it was a mistake for the second time. I ask you, if there with a missile flying to D.C. - I don't know from where - and everyone said - oh, no, it was a mistake because of the weather - because of human error, we do not care. Once they are targeting our families, our children, we will do whatever is necessary to protect our people.

MEAD: Why was Iron Dome not activated? You'd mentioned that the missile was able to get through without opposition.

DANON: So Iron Dome is based on data. When they analyze that the missile will hit a field or it will go to the ocean, it will not activate the system. And where I live, it's agricultural area. You don't have houses. So the system - and by the way, the house that was hit is - was actually the one house which is right next to the fields. That's why it wasn't activated. And the Iron Dome is a great system. But it's not 100 percent coverage for missiles and rockets. And so we're - we will act decisively. The prime minister will arrive. And we've already called a few brigades or - to get ready. We told people in the south to get ready. And it's delicate because we have elections in two weeks. So any decision that the prime minister will take when he gets to Israel, people will criticize him that it's a political decision. If he will not react, it was political. If he will react, it's political. I believe that the prime minister will take the right decision and will send a very clear message to this terrorist organization.

MEAD: All right. Well, please, when you speak with your friends and neighbors at home, let them know there are people here in the U.S. who are thinking of them. That's - to shift the conversation a bit, you have been talking with AIPAC, right? You've been at their meeting. And I know that many of the folks at AIPAC are concerned about whether support for Israel in the United States is becoming a partisan issue, that Republicans might be supporting Israel more than Democrats. And this is something that AIPAC and, I think, the government of Israel don't want to see happen. In your view, what are the - you know, is there a danger that support for Israel could become a party question in the U.S.? and how do you think Israel can sort of act to prevent that?

DANON: So bipartisan support, it is very important for Israel. We value it. And I think we will hear in AIPAC leaders from both parties addressing the crowd. I heard the report about the Democrats boycotting the conference. I don't think it is the case because I know personally many of the leaders that will show up. But they - we are concerned, when you hear a - members of Congress inciting - using anti-Semitic language, it is concerning. When somebody speaks about dual loyalty, there's nothing new about it. You know, when you read the history of anti-Semitism in Europe, that was the first argument that was used against the Jewish community, that they have dual loyalty. So we are disturbed. And I think that if we see leaders which promote anti-Semitism, we should denounce them; we should isolate them. And eventually, we should remove them from public office. And that is the case here in the U.S. That is the case in the U.K., and that is the case everywhere around the world.

MEAD: All right. Let's turn to maybe a slightly more cheerful subject. An unusually cheerful subject these days might be Israeli diplomacy at the United Nations. I gather the United Nations is still not Israel's most ardent fan club in the world. But there have been some remarkable and, I think, little-noticed developments. A resolution against Hamas did not get a two-thirds majority but actually had a majority of those voting in favor. And there've been some other changes. What can you tell us about this sort of new development at the United Nations?

DANON: So since I started the - my post more than three years ago, I knew that we have to go on offense. We should not play defense. And together with your previous ambassador, Ambassador Nikki Haley, we played offense. And we put resolutions on the floor. We lost some. We won some. But it was a different approach. You mentioned the resolution against Hamas; 87 member states supported this resolution. It is impressive, and we are very proud of it. And I think today more and more countries are open to support Israel publicly because privately they appreciate Israel, they will negotiate with us, they will work with us. It is not the case, usually, when it's publicly. And now, in the last few years, we see them actually acknowledging us publicly, voting with us or not showing up for other votes.

When I went for a position to become the chairman of the legal committee - we have six committees at the U.N. - I got the support of 109 member states out of 193. It was a very impressive result. I became the first Israeli ever to chair a U.N. committee. And I'm very optimistic. I think we should one day have a seat in the security council. We are a member state, a strong democracy. And I think that we are proving that we can win even in a hostile place like the U.N.

MEAD: What - how is it - what is it that you do to persuade countries who've been voting against Israel, in some cases, for decades to take another look at their approach? How does that kind of diplomacy work?

DANON: So there are two parts. First, I believe that we should bring Israel to the U.N., but more importantly bring the U.N. to Israel. So I have taken more than 80 U.N. ambassadors to Israel, and that is remarkable. And many of you have visited Israel. And when you come to Israel, you understand - you see the miracle we achieved in short 71 years. I took Ambassador Nikki Haley. It was her first visit to Israel. And we took a helicopter, and we showed her everything. She saw how small the country, how fragile. But you know, she met the people, the innovation, the technology. So bringing so many people helps a lot.

The second part - more and more countries today understand that Israel is a solution and not a problem. If in the past, they thought about Israel as a place where you have a conflict, all of a

sudden, when they come and they see that we can solve their water problems and agriculture issues - with irrigation, desalination, cybersecurity. So they ask themselves - should we continue to vote against Israel? - and play - it's a game; it's a theater, the U.N. - or should we think about ourselves and maybe we will have better bilateral relations? I met, you know, a few ambassadors after we came back and told me - Danny, we want to have a delegation coming from Israel to see how can you help us protect our borders.

So I think today people understand that we can help them, and we have a lot of experience and know-how. And - take Africa, for example. We used to be very close to the Africans until 1973, when the African Union decided to join the Arab League and boycott Israel. And it's changing now. More and more African countries are working with Israel, and it's a win-win situation. It's a huge market for us emerging societies. And for them, they get a lot of our technology.

MEAD: I know that President Kagame of Rwanda is - has been a friend of Israel for many years. And he is now the president of the African Union. Has that - how has that relationship...

DANON: President Paul Kagame is a real friend of Israel. I believe he finished his term in the African Union. But he's still very involved. And he was very influential because he proved that you can stay friendly with Israel and still be appreciated and involved with the politics of the African Union because in the past, it's like a peer pressure. People say, no, we cannot be seen with the Israeli ambassador, with the Israeli prime minister. We would have to pay a price. And President Kagame proved them wrong, said, no. I'm friendly with Israel. We just opened a month ago our embassy in Rwanda. And we're very proud of it. And at the same time, Rwanda is not being attacked by other countries or criticized. And I think there's a very important message that now we are working to expand our presence in more countries in Africa.

MEAD: I understand there are even some Muslim-majority countries in Africa that have opened diplomatic relations with Israel. Is that right?

DANON: Indeed, the Chad was the last one. The ambassador of Chad will visit Israel in May. He will come to one of our missions to Israel. And he's excited about it because Chad is a very large country. They have huge problem with the desert. And, you know, we have a small problem with our southern part in the Negev. So I promised him that we will dedicate some time showing him what we are doing in our desert and helping the challenges in Chad. And you have many - you know, you look at the U.N. You hear a lot about the big countries. You got Russia, North Korea, China. But, you know, we have islands in the Pacific. We have islands in the Caribbean. And we can help all of those small countries. And I learned at the U.N. that every ambassador - it is one vote. The vote of the U.S. and Russia is like the vote of Palau and Marshall Islands. So it is important to invest and to work with everybody.

MEAD: Israel also seems to have made some diplomatic gains recently in South America. Some of them are very high-profile. Do you want to describe what's happening there?

DANON: So it is unfortunate to see what's happening in Venezuela today. But politically, when Venezuela is weaker, it's better for us because they were very involved in supporting the Iranians, supporting anti-Israel resolutions in the U.N. And now they are busy with other things. Next week, President Bolsonaro from Brazil will come to Jerusalem, hopefully, will follow your president and will announce about moving the embassy - the Brazilian embassy - from Tel Aviv to Jerusalem. You know, when I speak with my colleagues at the U.N., I always tell them, you have to hurry up because finding good location in Jerusalem - it's really hard...

MEAD: (Laughter).

DANON: ...And really expensive. And I mean it. You know, think about it. In the future, if you want to move embassies, it's - we have limited space in Jerusalem. So hopefully, we will hear him. With - coming with good news yesterday, I met the president of Honduras, who came to D.C. And he announced that they're opening a - at the first stage, only an office. But in the long run, they are looking to move also their embassy. So we are very optimistic about that.

MEAD: So you're going to have to start planning the diplomatic quarter of Jerusalem now.

DANON: Exactly.

MEAD: Just not something we would have expected - and - but maybe, of all of these developments, in some ways, the most surprising - at least to me - has been that there have been some important votes where European Union members have actually taken a less anti-Israel, in some cases, a pro-Israel stand. What's going on there?

DANON: So first, we have to acknowledge that the EU supported the resolution condemning Hamas. And that was very hard to get their support. Ambassador Haley and myself, we worked hard on that. And we have an open dialogue with the EU. And just last week, the entire 28 ambassadors in New York to deal with them - to speak with them about the issue of anti-Semitism. It's a real problem in Europe. And I think that the U.N. should address this issue. And we spoke about ideas regarding this issue. Also, another point within the EU is the Eastern European countries. We see today more activity coming from Eastern European countries which is pro-Israel. And it is very important for us, and we are grateful for that.

So you have some countries that are very active against Israel. And usually, I don't like to name names but, you know, the bad guys - I name names when we deal with the bad actors at the U.N. And sometimes, when we see a hostile behavior coming from European countries, I would call my colleagues from Eastern Europe. And they will balance the resolution. When President Trump decided to move the embassy, which was a great decision and we are grateful for that, the EU - not the entire EU, some of the countries in the EU - usually, it's coming from Sweden, France, Ireland. Those countries are very active against Israel - they tried to pass a resolution condemning the U.S. for moving the embassy. They couldn't do it because there were other countries, Eastern Europeans, that say, no. You need the full consensus. We do not support condemning the U.S. They can decide where to place their embassy. So we work on that. We have to follow the Brexit, also, which will influence the EU. But you cannot say today that the EU entirely is pro-Israel or against Israel.

MEAD: What would be the EU countries you feel you have the most difficult relations with or the most difficult time persuading them to support you?

DANON: So I think today, we see a lot of activities coming from Sweden, which is unfortunate. Ireland - I don't know why. But Ireland today, they lead every resolution. Every attempt against Israel, you will see the Ireland representatives. And unfortunately, with France, you know, we have strong bilateral relations. But many times in the Security Council, they will not take the stand that we expect them. And they will not be objective. So my strategy - like Ambassador Haley, I'm not a career diplomat. I served in the Israeli government in many positions. And probably, I will go back to politics one day. I am very direct. And I tell my colleague from France

that we do not appreciate when he speaks and he takes sides. We expect more from France, which is a very important country in the U.N.

MEAD: And of course, for many years, France was Israel's closest ally internationally. Why has that changed?

DANON: Well, you can have your explanations. You know, one of the debates I had with an official from France - and I am not saying that it's - everybody thinks that way in France. But this specific official told me that many of the problems that they have with radicals in France today, it comes because of the conflict between us and the Palestinians. I told him, you must be joking. I cannot believe that you think that if we will solve the problems - and eventually, one day, hopefully, we will have a peace, and then we will solve it - then you think you will not have any issues with radicals in France. But I think some people do think that way. And they tend to support the Palestinian side.

MEAD: Now, there's also been a certain amount of interesting progress - some of it quiet, some of it open - but - in Israel's relationship with Arab countries in the region. What is the state of play there? Where do you see the most openings? And what problems do you see?

DANON: So we are well aware of the threats from the Iran deal. It is a bad agreement, we have to acknowledge it. But one good thing happened - came up from that agreement. And that is it brought us together. I was in Dubai two years ago, and I met a few of the officials. And they were terrified about the possibility of the Iranians acquiring nuclear bombs. But when you speak with the Israelis, we are worried about it. We are not terrified. So today you see that many of the countries come together and think what we can do and what we should - how could we cooperate to deal with this threat coming from the radicals in Iran? Iran has spent \$7 billion a year on exporting terrorism in the entire Middle East. So we need to work together, and then I hope that you would be more public. So today I will cooperate with many of the ambassadors, but it will be quiet.

So Prime Minister Netanyahu visited Oman. I believe, in the near future, he will visit more Muslim countries in the region. And I think they should look at what's happening today between Israel and Egypt. We have a strong peace treaty and we collaborate. And it's very important. Today, when you need to fight terrorists in Sinai, we are there for the Egyptians. And they are there for us. We work together, and it is very important that we are doing it. I think other countries should not be afraid of doing it publicly.

MEAD: As I look at the Middle East, it seems to me that the - there's some big shifts going on there. One is that, partly as a result of the fall in oil prices as a result of fracking and other things, there's just less money for the Gulf Arab countries, for countries like Algeria, for Iran. And this, in addition to other political problems in the Arab world, has meant that the Arab voice in the region and globally is probably weaker than it's been since World War II. On the other hand, Turkey seems to be sort of becoming more of a regional power. Russia is clearly much more of a regional power. The United States appears to have stepped back a little bit, both under President Obama and a somewhat different way under President Trump. The U.S. seems less interested in getting engaged. So this creates a bit of a power vacuum. From the Israeli point of view, how does your foreign ministry see this? How do you see it?

DANON: So I will focus on the Iranians and Turkey. The Iranians are still exporting the revolution. We have to understand that. Why the Saudis are so worried about the Iranians? Why

everybody else speaking about the Iranians? - because they export the revolution. So they will take the money - and they still have revenues from oil. They still have a lot of money. And they will send money to Lebanon for Hezbollah to build rockets and to dig tunnels. They will send money to Syria to build their presence in Syria. They will send money to Yemen. They will send money to Gaza. Everywhere you will see terror and chaos, you can find the fingerprints of the Iranians. So for that, we need to find ways to put pressure on the financial instruments that the Iranians are using.

We will have a debate in the Security Council this week on Thursday. And we are going to discuss what we can do to apply more sanctions and more limitations on banks and other ways to put pressure on the Iranians. We got in Turkey. It is unfortunate. We used to have great relations with Turkey. We used to have a yearly drill of the Israeli air force with the Turkish air force. Can you believe it? It's a NATO member - a strong country. Hundreds of thousands of Israelis used to go and have their yearly vacation in Turkey. Unfortunately, Erdogan chose to attack Israel. As we speak, he is doing it now. The ambassador in the U.N. is actively now promoting the resolution condemning the declaration of President Trump about the Golan Heights. So why Turkey now is trying to protect Syria about the Golan Heights? So Erdogan is looking for opportunities to attack Israel because of its own domestic issues, and it is unfortunate. It is unfortunate, and I hope that one day we'll be able to go back to where we were a decade ago. But the way it looks now - that he is trying to compete with the Iranians. So he's not exporting the revolution like Iran. He will not pay people outside of Turkey. But today, if you are a Hamas terrorist and you want to function and to walk in Istanbul or Ankara, you can do that. But in terms of diplomacy, he's very active, and he's creating more headlines in terms of attacking Israel.

MEAD: You think Turkey's relationships with Hamas are getting stronger?

DANON: Absolutely. Absolutely. And we raised our concerns about the fact that you have a Hamas presence in Turkey today. I think it's problematic, not only for us, also for either of our allies because, as I mentioned, it's a NATO member - important country. The last thing you want to see - that you see, you know, terrorist groups coming and taking over the country. That's what happened, by the way, in Lebanon today. You know, the Lebanese are suffering, but they have no power anymore because Hezbollah in Iran entrenched and controlled the government, some part of the military and then control the border with Israel.

MEAD: This is true. I think there are some in the Middle East and not simply in Jerusalem that worry about the possibility someday that Tehran and Ankara, that Turkey and Iran might find broader kind of cooperation - maybe not forever. But certainly, for many centuries the Middle East was sort of quietly divided between Ottoman and Persian states. Is this a prospect that people think about in Israel and...

DANON: We do, but I think as we speak, they are competing - who will be the leader, who will get the more attention. So I think it's sort of the case of cooperation today. It is still a competition, but it can change. And that's a very important point that in the Middle East, you know, we cannot expect everything. And you do not wait to walk here in Hudson and write great papers. And I was in many committees in the Knesset, but we never can expect what will happen tomorrow morning. I remember before the revolution in Egypt, I used to be very involved, and I read all the reports. The Israeli Mossad - Israeli shared security services with the CIA - no one knew about what will happen in Egypt. And we woke up one morning and all of a

sudden, Mubarak, the strongest leader in Egypt, is in jail. So same can happen in Turkey, in Tehran, in other countries. So there are some forces that we cannot analyze, and we cannot expect what will happen.

MEAD: And how about the relationship between Israel and Russia - because this has been, I think - it's been a fascinating thing to watch from the outside. You have so many common interests. You have so many Israelis who have emigrated from Russia, their business connections. In many ways, President Putin has been really quite supportive of Israel. I think he took a tour of the Old City in Jerusalem and spoke of the Jewish character of Jerusalem. In Syria, the security cooperation has usually seemed to be good. So - many countries have had a hard time managing their relationship with Russia. What's Israel's secret?

DANON: So we should take it in perspective. Our strongest ally is, and will be, the United States of America. So I tell it to people. I say, well, you know, Prime Minister Netanyahu met Putin and went to Moscow. I say, listen; we do have open lines of communication, which is important. But it's still our strongest support, and we have the same values of democracy and freedom. It's - that's what brings us together. Having said that, we know how to work with the Russians. It's very complicated. You know, even for me, when I would speak with my colleague in the U.N., I would not always get the answers. So I know - for example, if I would meet Ambassador Haley or the incoming ambassador after she would be confirmed, we can discuss. We can have a dialogue. I will get answers, but I will leave the room. With the Russians, you don't always get answers. So you can have a great meeting, you can have a nice meal, but you don't really get answers. So some of the times, they will accommodate our request, but some they will not.

In Syria today, for us, it's very, very sensitive because we will not allow the Iranians to build their presence next to our border. We saw what happened in Lebanon. They are trying to do the same - the Iranians - they're trying to build a similar presence like Hezbollah on the Golan Heights, and we are pushing back. And we are telling our - Russians that they should not allow it. And it's very sensitive because let's say, for a fact, that the Russian wants to build a port today in the Mediterranean in Syria. Don't ask me why you need a port today with the technology and rockets. It's more of a Cold War-era mentality, but for them, it's very important. We will not object it. But if the Iranians or Hezbollah will try to build a smaller next to the Russian port, we will not allow it. We will attack. We will send our air force, and we will attack the Iranian port. So we tell them, make sure that you don't allow those forces to be next to you or to take advantage of your presence. And they understand that because for us, it is a threat. For them, they have their own interests, but we cannot compromise on our security.

MEAD: Is there still a significant number of emigrates coming to Israel from Russia?

DANON: Less - we were blessed. We were blessed by a wave of immigration in the early '90s. More than 1 million Russians came to Israel. And when we speak about the startup nation that we are today, the innovation, it has to do also with the level of education of the new immigrants who came and integrated in our society. Today, the numbers are much smaller. We have about 18,000 newcomers every year, that they come from all around the world. But for us, it was a very important immigration. And you mentioned that, you know, I know it is important also for the Russians that they have, you know, more than a million Russians in Israel. So they will invest in the TV, interviews. For them, it's an important community that live in Israel.

MEAD: So does this mean that some of the Russian news agencies like RT and others are active in Israel?

DANON: They are. But I will mention one thing because they have elections in a few days. Today, you see that most of the Russians integrated in Israel, so they will be active in the main parties. And you have less Russian parties, and you have less Russian groups. Today, they became Israelis, and it's - I think it's a good sign.

MEAD: All right. So you don't find the Russian media is playing the kind of destabilizing role in Israeli politics that it has in some European countries or even in the U.S.

DANON: No, because the Russians who came to Israel, they became part of the society. So you still have, you know, the older generation who watch the Russian TV and follow the Russian news. But their children and grandchildren, they are Israelis. They go to the army. They go to universities. They're a part of our society. And they don't have the affiliation of their grandparents.

MEAD: Well, certainly it was also true in the Soviet days that KGB disinformation operations and so on often did target Israel. And Israel was one of the sort of enemies that the Soviet propaganda system would use. As Putin has rebuilt that propaganda apparatus and has repurposed it, it sounds like he is leaving Israel off his list of targets.

DANON: Well, I think he acknowledged that we are a stronger democracy. It is very hard to control the minds of the Israelis.

(LAUGHTER)

DANON: And the very fact that we have - you know, in Israel, everybody is a prime minister. Everybody knows exactly what to do. And the very fact is we have elections in two weeks, and we don't know what will be the result. And by the way, that's a good - even though you know my political affiliation - I was a minister with Prime Minister Netanyahu and the government. And I'm a member of his party. But I think when you look at Israel from above, the fact that you have elections in two weeks and no one knows what will be the outcome, it shows the strength of our democracy. Most of the countries in the U.N., it is not the case. I will meet the ambassadors, Walter. They tell me, we have elections, but we know exactly what will happen. So I am not worried about the outcome. We know what will happen. So I think both the U.S. and Israel - the fact that we cherish and we protect our democracy - it puts us in a higher position in the U.N.

MEAD: All right. Well, I have to say I heard from a lot of American ambassadors in 2016, don't worry. We know who's going to win.

(LAUGHTER)

MEAD: So it doesn't always work out as planned. And I don't want to ask you any questions about who's going to win the election or anything like that, but as a diplomatic observer, if there were to be any kind of change in coalition in Israel after the election, do you see areas where Israeli foreign policy might change significantly?

DANON: I think the prime minister has a lot of experience, you know, being the prime minister for more than 13 years now. So it will take - if there will be any changes, it will take some time to learn the issues and to get to know the leaders. But in terms of the core issues, the bad guys will still be there. Iran will be there. Hezbollah will be there. Hamas will be there. And any

government will have to deal with the similar issues. And I think, also, today in Israel, because we do not have a viable partner on the other side, most of the discussions are not about the peace process. I was very involved as a child in every campaign, and it always was about the peace process. It is not the case today. Today, when you hear the leaders who are running for office in Israel, they will not discuss the peace process. Most Israelis are realistic and say, we don't have anyone to negotiate with, or we argue about the economy. We argue about other things. And I think we will have to wait until there will be a real leader among the Palestinians. Maybe someone like Anwar Sadat of Egypt will emerge in the Palestinian Authority, will stop the incitement, will stop funding terrorism. And then we can actually engage and have a real process.

MEAD: Secretary Pompeo and other American officials have raised a couple of red flags about Israeli technological dealings with China. And certainly, there's a lot of interest in China in investing in startup nation. From where - what you see, what's the current state of that issue?

DANON: First, we need to be aware that the Chinese have a lot of interest in our economy and the innovation. I remember when I was the minister of science and technology, I had a meeting with a delegation from China. And they came and told me, we want to invest in the Israeli economy. I told them, that's great. But can you be more specific about what you want to buy? You know, we have cybersecurity, we have - they tell me, whatever is Jewish, we want to buy.

MEAD: (Laughter).

DANON: So yes, we see that. And we are happy with that. But at the same time, we respect the request of our strongest ally. And Secretary Pompeo met the prime minister a few days ago, and they discussed exactly that issue. And we are grateful, also, for the support that we get for our military from the U.S. And I remember that, you know, sometimes, we have to tell the Chinese there are certain issues or fields that we cannot cooperate with them because of the request of the U.S. We do not hide it. We explain it to them because this is the reality. And for us, we will try to do more things of cooperation on fields which are not connected to technology or to think that the U.S. will have concern with.

MEAD: Now, how's the Israeli relationship with India in terms of technological cooperation and so on?

DANON: We have a great - a very strong relationship with the Indians. It's another huge market. You know, we're speaking about important countries at the U.N. So people speak about Israel, but when you look at China, India - and then you have Israel. But, you know, I think today the Indians are having the other delegations coming to learn from Israel. We cooperate. And by the way, I see that it also affects the votes at the U.N. and the relationship. And that is my personal motivation - is to share our technology with more countries because once we do more and once we cooperate on many issues, eventually, it will help our diplomacy. It will help our status in the world that we know.

MEAD: I was told you have access to some very shocking information about Ambassador Nikki Haley's social life. I'm not exactly sure what this is, and I don't want to be spreading rumors. But I was advised to ask you about unusual parties she had been having. Do you want to tell me about this?

DANON: So I think you are exaggerating, Walter. But...

(LAUGHTER)

MEAD: Me?

DANON: I had a conversation with Sarah. And we spoke about when the U.S. moved the embassy to Jerusalem, there was a resolution in the Security Council to condemn the U.S. And Ambassador Haley vetoed that resolution. And then our adversaries took it to the General Assembly, and we lost that vote - that majority. But we vote. Immediately after the vote, Ambassador Haley sent me an invitation for a party in her apartment, only for those who voted with the U.S. on this issue. And that was a great party. It was a small - well, not small, but like 60 ambassadors. But many of my colleagues from Europe, it was the first time in history that they are not invited to a party in New York. So - and I think it was important not only for Israel. It was important because it put the U.S. in a better place, in a stronger place. And by taking a stand and supporting Israel at the U.N. and supporting Israel in general, I think, today the U.S. is much more respected than in the past because people appreciate when you stand with your friends, when you stand behind your values. This was a great example that you can lose a vote and still have a great party.

(LAUGHTER)

MEAD: Again, looking at - and I feel like this is so - I'm almost giving you an exam on Israel's foreign relations. But I would say you're doing very well.

DANON: Thank you, Walter.

MEAD: Israeli relations with Greece and Cyprus have also been deepening significantly lately. What's the situation there?

DANON: So, you know, we like to complain a lot in Israel about everything. And always we used to complain that, you know, God gave us the land with the milk and honey, but we didn't get any oil. So - and our neighbors had so much oil. And we complain and complain. And eventually, he listened to us.

MEAD: (Laughter).

DANON: And we found natural gas. And that is amazing. And today it helps us also diplomatically. So it - you speaking about a European country that today we are exporting gas to Europe through them, but also locally. So we - today we sell gas to Jordan. We sell gas to the Palestinian authority. And we sell gas to Egypt. And we used to buy gas from Egypt. And the same pipeline that we used to bring gas from Egypt to Israel - today we get the gas from Israel, and we sell it to the Egyptians. So I think for us, it is a great asset. We are doing this development with Noble Energy, an American company. And it'll give us a lot of opportunities to cooperate with many countries in the region.

MEAD: What looks to be the future of the Israeli energy industry? Are there more discoveries, you think, or potential for more? How does that look?

DANON: I'm very optimistic. You know, I think that when you look at the - we all use the Waze application on our phone. I think the next thing will be the technology of a Mobileye autonomous car. You know, when I went there and they told me, Danny, you have to sit and don't do much, I was worried. And then I said, you know, I don't trust it. But it works. So I think in the future, we will see that technology coming from Israel affecting our daily life. And then for us, I think that

the cooperation between Israel and the U.S. - it is something we should continue to focus on. I am a little bit worried because we do a lot of the R&D in Israel. But then we sell it too fast. And, you know, it's a democracy. I cannot tell private entrepreneurs what to do. But sometimes, we encourage them to do some of the development and build their factories in Israel. But today many of the ideas that we see coming to NASDAQ - you know, they start in Israel. But then American companies are buying them. And it serves the world.

So overall, I'm very optimistic about our future and take into consideration that we have to put a lot of energy into our security, our defense. And then we - at the same time, we put our time and energy on developing new ideas. Imagine if we could have taken the defense budget and the best minds of our society and tell them, now go focus on finding cure for cancer and other diseases. But we cannot do that because we have to develop an Iron Dome and other means to defend ourselves from tunnels. But despite all the challenges, we have an amazing era today.

MEAD: All right, you did hear it first here - an optimistic Israeli.

(LAUGHTER)

MEAD: Keep that in mind. And it's great to hear that you're optimistic. And certainly, for many - you know, there were many hopes invested in the idea of Israel at the time of the founding of the country. And it's remarkable today that we see so many of them being fulfilled. Israel is helping to be a leader of democracy and also of economic development in many poor countries. This is exactly what some of the Americans who supported Israel back in the 1940s were hoping it would be. So I'm sure that Eleanor Roosevelt and others would be happy about that, although I expect Mrs. Roosevelt would also have some complaints. But my - what do you worry about? Everything is so good. Surely this would make an Israeli wonder, what am I - what have I missed? What do I need to worry about? What are the things that keep you up at night when you think about the future of Israel?

DANON: So I think, you know, the main concern is - still will be Iran because history have taught us that when you have a leader preaching against the Jews or against the Jewish state, we better believe him. So some of my colleagues say, Danny, why you are worried so much? You know, it's not going to happen. You know, I have a lot of discussions with my European colleagues about the sanctions today. They tell us, no, it is good that we are working with the Iranians because we can communicate with them. We can send messages. I tell them, listen. We are worried because when I listen to them and they say - and by the way, we don't have any disputes with the Iranians today. We have no borders with the Iranians. We don't owe them any money. So you ask them, why is there so much hatred against us? So I am worried about that because if the international community will allow them to develop nuclear capability, then for us, it can be risky. We will win, but the price that we will have to pay in the case of a conflict would be a very heavy price. So this is still something which we are worried about.

And the second thing is about unity. I think we have to be united. In Israel, you know, we have very emotional campaigns. We argue a lot. But we have to remember that we need to be united because our enemies - and I feel it at the U.N. every day. They do not make the distinction if you are left or right, if you are reformed or Orthodox - you know, they are against us. And I think that when you come to Israel, we get to forget that immediately. And we argue. But we need to know when to come together and work together.

MEAD: People sometimes talk about a split that seems to be opening up, at least between some members of the American Jewish community and the state of Israel. You're - you've, obviously, got to be in a position where you see that - what's going on every day. How do you evaluate this situation? And what do you think Israel can or should do about it?

DANON: First of all, I think we have much more that unites us than divides us. But that tension is always about the disagreements. But I think today we will get the support of American jury, and we are very proud of it. More and more Jews from the U.S. come and visit Israel. In the past, the numbers were 15 percent. Today, it's 40 percent that come to visit Israel. We have programs to subsidize trips to come to Israel for free for students. And by the way, those trips are funded by the Israeli government, which is important to know because, you know, many times, you will see Jewish organizations coming to fundraise in the U.S. and get the support. And we are grateful for the commitment and for the partnership. But when I was in the government and I supported that, we started to fund, from our taxpayers' money, trips for American kids and Jewish kids from all over the world to come to Israel because we believe in that partnership. So I think overall, we're in a good shape. But we have to talk more. We have to - we need to have a better dialogue. And once, I think, the Israelis will know more about the community here and the community here will know more about Israel, we'll be in a better position.

MEAD: There seems to be some tension between the religious organizations - with the Israeli rabbinate and some of the American Reform and Conservative rabbis - is even angrier at each other than usual.

DANON: So the - all the rabbis should - excuse me, but I think sometimes you have politics in those discussions 'cause I think when you speak with the people...

MEAD: Now I'm shocked.

(LAUGHTER)

DANON: ...You don't have real conflict. You know, most Israelis will welcome any Jew that will come to Israel to visit or to live. And I think that people will respect one each other. But unfortunately, when you have leaders and they need to get attention and headlines, they will create the headlines that will focus on the machloket - on the disagreement - and it will hurt. But I think when you speak with the people, you see that people living in America support Israel unequivocally. And you will see the Israelis appreciate that support and that partnership.

MEAD: This is - you know, this is all very interesting. You'd mentioned earlier that one of Israel's problems is not, as perhaps under Arafat, that the Palestinians have a strong and effective leader, but that there is, at the moment, no effective leader on the Palestinian side who can mobilize for a peace agreement or, indeed, almost anything else. Is there anything Israel can do to sort of help create the conditions where a future Palestinian leader might be able to, say, take the path of Anwar Sadat?

DANON: I think it's very hard. I know it's hard for you, as Americans, to understand that sometimes we cannot influence the outcome. Many of them - Danny, why you don't sit down and, you know, compromise and let's move on? But it is not the case. And I don't think today we are in a position of actually coming and dictating the Palestinians what will be the outcome. We saw, you know, what happened in Gaza. And by the way, when we - before the elections, we

were worried about the elections. And our American friends in the administration told us back then, no, don't be worried. You know, it's - we need to promote democracy. And Hamas took over Gaza. So I don't think we are in a position of dictating or supporting the Palestinians, but we are here. And we are - we will wait, and we'll welcome, one day, the dialogue.

President Trump will present his peace plan in the near future, right after the elections. We don't know the details of that plan, but we said we will be open-minded. And we will look at it, and we'll discuss it. On the other end - the Palestinian side - exactly the opposite - said we are not going to discuss it. We are not going to look at it. We do not accept the U.S. as mediators, and we do not accept the Israelis as partners. So, you know, the same example I gave about Egypt - that sometimes, you know, things can change immediately. Maybe it will happen, also, with the PA for the good side. But also, we have to take into consideration that it's going to be for the bad side. So you can have elections in Judea and Samaria, and Hamas can take over. And you can have exactly the situation you have today in Gaza in Judea and Samaria. So you have to take all of those aspects into consideration.

MEAD: If you had to take a personal guess, how long do you think it might be before we would see an Israeli-Palestinian peace agreement?

DANON: That's something where - I will try to be optimistic. I think you need to raise a generation without hate. And today, when you look at the curriculum of the Palestinians and you see that they are paying salaries - they're paying 7 percent of their budget every year to convicted murderers who killed innocent Israelis and Americans - 7 percent - it's like \$500 million a year. Instead of building schools, they're paying salaries. So I think it will take a generation that will be educated - that you don't need to hate the Jews. You don't need to hate Israel. You can have disagreements. You can have - and then you will - can actually - can move forward and have a real dialogue. And today, unfortunately, when you have Palestinians who never met an Israeli - by the way, when I was a child, we used to have a dialogue because we used to go and visit those villages. They used to come and work in our villages. Today, you will not have any dialogue between Palestinians and Israelis. So - and you will stop any Palestinian kid in HaMa'ala, and you will speak of him - speak with him about Israelis. You know, he will be full of hatred. So I think we need to stop that, and then you can speak about having a real, genuine peace.

MEAD: All right. Well, listen. I know that all of us have found this to be just a fascinating conversation and that you've been, I think, very detailed and responsive in your answers. At Hudson, we are a strong believer that the United States can only be an effective leader and presence in the world when we have allies and when we work with our allies. We very much understand that Israel is one of these important allies and the relationship is of long standing. And we at Hudson have long enjoyed close relations with many of our counterparts in Israel. So we thank you for coming. Hope to see you and your colleagues again. And please tell Ambassador Haley we want to be invited to the parties as well.

(LAUGHTER)

DANON: I will. Thank you very much.

MEAD: All right. Thank you very much.