

## הנדון: תמליל דברי רה"מ לכתבים הזרים 20.1

### Address and Interview with PM Netanyahu with the Foreign Press Association Jerusalem, 20 January 2010

**PM Netanyahu:** Thank you. It's very good to see you again. We met before we established the Government and we'll meet at least once a year - I hope a lot more, but it's an opportunity also to welcome the Ambassador of Egypt to Israel and the Ambassador of Israel to the United States and other diplomats who are here and of course all the journalists who are here with me and with my colleague, Minister Yuli Edelstein.

You know, I may be the only 21st century agrarian reformer, so I came here from a ministerial committee where we're changing, revolutionizing the map of Israel – we're changing the planning and building committees. These are definitely Ottoman Empire period and we are changing them, streamlining them so that instead of being, for example, receiving a building permit, Israel is ranked, well, let me tell you, Israel for personal computers in the homes is ranked number one; in cellular phones, its number three; in cellular phone use, number one, of course. Now what do you think we're ranked on the time it takes to get a building permit? A wild guess.

**A voice from the crowd:** One ninety one.

**PM Netanyahu:** Not one ninety one. We're much better than that. One twenty. Not twenty – one twenty. Now for most Israeli citizens, that spells despair. For me it spells opportunity because all you have to do to change that is to cut bureaucracy. I love cutting bureaucracy. That's one of the few pleasures I get in public life and so we're cutting bureaucracies right now and I will answer your questions and then leave to complete the job – the machete is hung mid-air and we have to cut those horrible cords that tie down this fantastic people and this fantastic economy which is going up anyway.

I met the General-Secretary of the OECD and he told me something that I knew, I must say, that we are very close to the top of the list of the developed countries. We're no long a developing country, we're developed and we're very close to the top in terms of our economic performance. I want to make sure that we go further up and so I will leave you and that's by way of an introduction and an apology after we spend some time on other things.

I think we face great opportunities and I think our neighbors can join us in enjoying very robust economic growth but at the end of the day, we face three serious security challenges and one great opportunity for peace.

The security challenge, the first one is obviously the threat, the nuclear military threat from Iran. I think there's a change in the last year, because I think Iran has been unmasked. The nature of this region has been unmasked. The fact that it's building a secret nuclear program has been unmasked as well and there's a growing consensus in the international community that the moment of decision is arriving and the international community is being tested by Iran as we speak whether it has the resolve to stop Iran from achieving nuclear weapons. I think the international community cannot fail and the time for tough sanctions is now. If this moment is allowed to pass, what good will sanctions do afterwards? The time for tough actions and tough sanctions against Iran is right now. This is the first threat we all face. I think what is changed is that there is among the leading governments in the world today across a very wide spectrum, a common understanding and a common acceptance of what I just described of the problem of the nature of the Iranian regime, the nature of the Iranian nuclear program, the danger it poses, and now the question is, is there a willingness to act? We shall soon find out. I hope that the international community will act swiftly and resolutely to apply very tough sanctions.

The second threat that we face is the missile threat. I think that this also has been understood in the last year, in the last few years, because those of you who have been in Israel have been under missile and rocket fire. We've sustained 12,000 rockets and our country is smaller than Belgian. No country has sustained since World War II – Britain - no country has sustained 12,000 rockets. But imagine a country somewhere the size of Belgian and Luxembourg, sustaining 12,000 rockets and you understand of course, the nature of our problem and the fact is that we are surrounded by an ever-growing arsenal of rockets placed in the Iranian supported enclaves, to the north and to the south.

We have to develop responses to this threat and one of the things that we appreciate is the cooperation of the United States under President Obama, on the missile defense program which is proceeding very resolutely and quite successfully, I may say. I recently attended a joint exercise between the United States and Israel and I was very impressed. I was impressed with the technological progress, with the Israeli and American commanders, I was impressed with the fact that we can make genuine progress in the defense of Israel, but I don't want to tell you and I

don't want to minimize in any way the extent of this threat. It is serious and no amount of defense will succeed to offset the relative cost of an incoming missile as opposed to a defensive missile. An incoming missile can be fired by the attacker with impunity, and basically with minimal cost. But to get a bullet, to hit a bullet is very hard. To fire a hail of arrows is very easy, but to get the arrows to meet them is very hard and very expensive. We're performing a wondrous technological miracle by having the ability to intercept these bullets in midair – these arrows if you will. But it's prohibitively expensive and no matter how much we do, we cannot rely solely on this. So a big problem that we face is that virtually all the rockets that have been fired at Israel, and many, many of the rockets that are being placed around us are short-term rockets and missiles. They're not long-term Shihab rockets – there are those too, but there are thousands, tens of thousand of short-range rockets and other projectiles that are far from contiguous territory.

Now here is the problem of defending Israel against missile attacks: even if we put an iron dome, we'll have rockets fired at us and where is the problem of preventing them from being fired? The problem is to prevent them from being placed on our borders. Where is the problem that Israel has vis-à-vis Lebanon? It is not in the Lebanon-Israel border. It is on the Lebanon-Syrian border. Where's the problem that we face vis-à-vis Gaza? It is not in the Israel-Gaza seam line. It's not on that border. It's in the twelve kilometer strip between Gaza and Egypt. That is the ability to proliferate into contiguous areas thousands of missiles, rockets and other projectile to something that creates a monumental problem – a security problem for Israel – that's the missile threat. And therefore in addition to defensive means, we also must ensure that in that entry to the contiguous areas next to Israel, there is a way to effectively stop the infiltration of rockets and other weaponry.

And I believe that this requires in the case of a future settlement with the Palestinians, this will require an Israeli presence on the eastern side of a prospective Palestinian state. I'm not saying how it will be done, I'm not saying in what format, but I'm saying based on recent experience, we've seen that in Lebanon we had an international guarantee – the United States Resolution – 1701 – an insurance policy signed by the entire international community and you know that that unfortunately has failed, in fact it's failed miserably and Hizbollah is just pouring in weapons, more and more weapons to fire into Israel. And you know that we had also an understanding with other countries when we left Gaza about the Philadelphi corridor and I appreciate the efforts made by President Mubarak and the Egyptian government to stop it, but you can see that there is massive infiltration

continuing all the time. We can't afford to have that replicated a third time in the center part of the country that dominates our cities, dominates our population, and dominates our airfield. We have to have not only missile defense program, we have to have something to interdict the inflow of rockets and missiles and other weaponry into a prospective Palestinian state. This is the second issue that concerns us, obviously greatly.

The third is related to the second, and I call that the Goldstone affect. This is a process that began sometime ago and it's meant to vitiate Israel, to deprive Israel of the ability to defend against the aggression that is launched against it. It is a peculiar notion that the Hamas that committed a double war crime of firing on civilians, our civilians, while hiding behind civilians, their civilians, is basically exonerated and the international community or parts of it is directing the fire against Israel which did what any country would do and that is try to pinpoint the rocketeers and try to stop them from firing on us. I think the battle against terror has been sorely hurt by the Goldstone Report and it's also meant to, of course tie our hands so that we cannot take actions to defend ourselves.

If we cannot take action to defend ourselves, we will not increase; we will not take any additional risks for peace. So this is both an affect that heightens terror and also drives peace away. We have to deal with that and we're going to publish in the very near future a report by the military prosecutor of everything that we have done, unlike our neighbors to explore any offenses, any deviations from our code and we have a real code of conduct. I think you'd be deeply interested in reading this report which encompasses over 100 cases. Not merely the few dozen mentioned in the Goldstone Report and you will see the truth about them, but also close to seventy others that we've explored independently by our own people. I think it's very important to restore balance and truth to this issue and I hope that we can put this issue behind because it's important both for our defense and for peace and as well for other countries who are faced with a similar terrorist attack.

These are the three most important challenges we face: the nuclear threat, the missile threat and if you will, the Goldstone challenge. But we have another challenge, and that's the challenge of peace. We want to move forward and in order to move forward we need immediately to negotiate peace. We said that on day one in the formation of the government. We have not been met by a similar position from the Palestinian side. What we've done in the nine months that we've been in office was one: to call immediately for peace talks, second: to remove hundreds of roadblocks, checkpoints, and other obstacles to move and as a result

the Palestinian economy has soared to about 8% growth. We think that together we could get it to reach an even higher level. Third: I gave a speech at Bar-Ilan that formed a national consensus about the idea of peace, of a demilitarized Palestinian state that recognizes the Jewish state and fourth: we took an unprecedented step in the Cabinet to restrain the construction in the settlements for a ten month period. This is what we did.

During that time, what we've seen the Palestinian do is one: raise preconditions that didn't exist for the sixteen years from the onset of the Oslo process. Two: incite their public and their people in their national media and by their official leadership in ways that are fully contrary to peace. Third: to promote the Goldstone agenda and these are all contrary to peace. These all lead to the other direction.

Israel has been trying to get the Palestinians to enter the negotiating tent; the Palestinians have climbed up a tree. They're not in the tent, they're not in the entrance to the tent, they're climbing higher and higher in the tree and they like it up there. People bring ladders to them. We bring ladders to them. The higher the ladder, the higher they climb. And they say, well you have to freeze the settlements. They've never said that before. Then they say, well, you have to stop building in Jerusalem. Probably some of you live in Gilo and the outlying area. And then they say you have to do borders or something. We could pile on preconditions forever. We could say, no, let's solve the refugee problem first. No, let's solve the Jewish state first. No, let's resolve all the security questions that I raised here. There are plenty others first. And then let's begin negotiations. That's exactly what they're doing. You know that if I said this, you'd say this is absurd. This man doesn't really want to negotiate, he wants to stop negotiations. But the Palestinians are piling demand upon demand upon demand. They should be told, fair and square, simply and forthrightly, get into the tent and start negotiating for peace. Let's stop negotiating about the negotiations, let's stop talking about talking, let's stop piling preconditions, let's get on with it. Let's get on with peace negotiations. The only way we can finish the peace negotiations with a peace treaty is to begin them. We're ready to begin. I'm ready to begin them. I'm prepared for peace. Are the Palestinians ready for peace? That's my question to you. Now you can ask your questions of me.

**Danny Seaman:** Prime Minister, if I may, we usually, traditionally give the first question to the person with perhaps the thankless job of being the Chairman of the Foreign Press Association. So if he took that responsibility upon himself, we

traditionally give him the opportunity to ask the first question. Connie Mus of RTL Holland.

**Conny Mus:** Mr. Prime Minister, you started tonight by saying that you want to see us more, and we extend to you our invitation as foreign press representation to see you in another six months since you told everything tonight, we don't want it tomorrow. But in another six months would be really fine.

**PM Netanyahu:** It'll cost you dinner and I don't see anything ...

**Conny Mus:** Any time. My question is: There is a lot of confusion about the settlement issue. You're talking tonight about restraining, before it was freezing the settlements. On the ground we see there is no change. Settlements are still built. They are still getting bigger. Roads are still built, facilities are built. And in East Jerusalem, we see the tension rising because settlers get the free hand to do almost whatever they want there. What is your clear policy on the settlements and isn't it important to be more clear on the settlements so that you get the policy on the table?

**PM Netanyahu:** Well, first of all we draw a clear line between Jerusalem and the settlements. Jerusalem is not a settlement – it's the capital of Israel. We make no restraints in it and we've not introduced any, by the way, not only for us but also for the Palestinian residents of Jerusalem. The Mayor just issued a program, for, I think, 500 units for the Palestinians. We, I think, issued a program for about 700 units for the Jewish neighborhoods and we don't stop Palestinians from buying in the western neighborhoods and we don't stop private individuals from buying property in the Palestinian neighborhoods. If we did, we'd be accused of ethnic cleansing, and we're not going to be accused of that and we don't think anyone else should practice it either.

So Jerusalem is an open city – it's a united city, it's an undivided city and not only can individuals do as they wish under Israeli law and jurisdiction, but also I think it's important that we treat the Palestinians or the non-Jewish residents of Jerusalem with the same fair and equal treatment that we treat the Jewish residents. So, I hope they take up the Mayor's program. There are different cultural patterns of domicile, you know. There's a question of high-rises – a question of other patterns – they like smaller houses and they're willing to add stories to it and the King's Garden right next to it – that would also save a lot of demolitions. This is what is happening in Jerusalem. In other words, in practice, life goes on and there are no limitations, not on the Jewish residents of Jerusalem or on the Arab residents of Jerusalem.

We have placed, however, limitations on the settlements themselves in Judea and Samaria and we have said that there won't be any new construction for a ten-month period but construction that was already in place or had already put foundations on the ground, we enable to continue. Beyond that, we don't allow new constructions for what began as a ten-month period – what still is a ten-month period – but about two months have elapsed. We continue to build roads, classrooms, other things that are required for normal life and that's the crux of the decision.

It's not been an easy one – it's not made me more popular in some circles, and believe me, the people who have expressed their discontent are not faking it.

They're telling you what they're feeling, they're telling us what they're feeling. We say that we think that the fact that we've taken this unprecedented step – not my words, as you know – the fact that we've taken this unprecedented step, I think should disabuse anyone who thinks that Israel is not ready for peace – we keep taking these unbelievable steps for peace and we keep being told, "Oh, but the Palestinians don't believe you or this country doesn't believe you. Well, you know, let's stop parsing out intentions – let's look at actions – we have acted for peace and it's time that the Palestinians act for peace as well.

But you're perfectly free and in fact I invite you to look at the details of the cabinet decision and the decisions also taken by the Defense Ministry. The instructions they've given – you can get an exact transparent picture of what is going on. The days of their pretence, the days of subterfuge are gone anyway. You can Google the thing – I mean that you can see everything that's going on – it's all transparent. We're not hiding anything – we're telling it like it is.

**Moderator:** We have journalists here from all over the world so we try to give different continents. The second question will be from Brazil – Marcel Oninio from San Paulo.

**Marcel Oninio:** Good evening, Mr. Prime Minister. Allow me to combine our two countries in one question. Brazil recently, in the past year.....

**PM Netanyahu:** We'll split the territory – that might solve a lot of problems. And the water!

**Marcel Oninio:** Has shown repeated interest in having an active role in the Middle East peace process. The Brazilian government has received President Ahmadinejad, in the same week almost President Shimon Peres and President Abu Mazen. My question to you is do you think it's possible that Brazil could have an active role and what should Brazil do in practical terms to have such a role? And secondly, two weeks ago, the Foreign Minister of Brazil said that he wouldn't

exclude direct talks with Hamas because he thinks this would help break the deadlock in the peace process. And President Lula is coming in March here to visit from Brazil for the first time. What do you think of this suggestion of the Foreign Minister of Brazil to direct talks with the Hamas?

**PM Netanyahu:** Well, look, I welcome the increased traffic between our leaders, between our governments and between our economies. Brazil has a great power – I think it has a great future and we think that Israel can have a great future too. It already has a significant presence. My vision is very clear. We want Israel to be a regional economic power and a global technological power it already is. It's No. 2 right now in the absolute number of technological start-ups and it has a cutting-edge advantage in several key technologies that are going to be very important for the future of the world – I believe also for the future of a country like Brazil. There are many things that are being developed in Israel that can help the economies, the health, the environment, the energy, education, the obliteration of illiteracy – technologies that in some cases when I look at them – they defy imagination – you couldn't have dreamed it up but people have and they're developed. So I think that we have with Brazil and with probably many other countries that are represented here – we have many opportunities to expand our relations for mutual benefit. And we'll continue to do so.

How can Brazil play a role here? Well, I think that if we get the peace negotiations launched, we're likely to resume the structure of committees for various problems – that is for resolving issues like water, like the environment, energy and other issues of course – refugees and many other things. And it's perfectly possible to contemplate a role for Brazil in more than one of these. I'd be prepared to consider that, certainly.

But let me tell you about the question of Ahmadinejad and the Hamas. The principle that is always raised is that you make peace with your enemy. That is absolutely true – you make peace with an enemy who wants to stop being an enemy and move to peace. But an enemy that just wants to cut you to pieces and has no intention of seeing you walk this earth and wants to obliterate you is not a partner for peace. That distinction is crucial. Peace has been made between Israel and its Arab neighbors when the other side had leaders who moved their people away from war and away from the goal of destroying Israel to peace. By the way, that usually happened before the negotiation, but they certainly never espoused the opposite. I mean, the late Anwar Sadat and the late King Hussein didn't say "Well,

our goal is to obliterate Israel – now let's enter peace negotiations for the sake of this obliteration”.

So you make peace with an enemy that wants peace. You cannot negotiate peace with an enemy who wants to destroy you. Hamas and its parent regime, the Iranian tyranny, openly say that their goal is to destroy us. And so this distinction, I think, is important if you want to advance peace and not move away from it. And since I know that Brazil's intentions are for peace, then I urge them to look more closely at this distinction because it is vital if we're going to move towards peace, we have to encourage those who want peace and not those who want the opposite of peace. In other words, don't negotiate with the Hamas and don't invite Ahmadinejad. That's not a good idea for peace.

**Moderator:** From France – Le Figaro – Adrian

**Adrian (Le Figaro):** Good evening, Mr. Prime Minister. One year ago ended the operation against Hamas in Gaza. What's next in Gaza? What is Israel ready to give in order to get Gilad Shalit back? What is going to happen with the blockade of Gaza? What's going to happen with the Hamas? What do you expect Hamas to do and what's next?

**PM Netanyahu:** Any more questions? Well, I won't comment specifically on the Shalit exchanges – I mean the exchanges we've had with the negotiators. I don't think there's any useful purpose in that. We want Gilad back – I think that unites the people of Israel. We also want to make sure that we protect our security – that also unites the people of Israel, and beyond that, I really will not say – cannot add – we take both responsibilities very seriously. As far as Gaza is concerned, it's apparent to me that Hamas is more concerned with maintaining its hard posture and dripping terror into Israel's territory with rockets and missiles and mortars than it is with the well-being of its own people. Even though we have increased significantly the number of trucks going into Gaza from 100 to 120 a day – that's a 20% increase during the time that I've been in government, because of a deliberate decision because we have nothing against the people of Gaza.

We don't want Hamas to build bunkers from which they can launch additional missiles against us but we want people to be in a position where they're well-fed and they have the other necessities for reasonable life. We want it for our own people – we certainly don't mind that the Palestinians have it as well in Gaza, but we don't want them to build a military infrastructure which they're building. So we've evened that out and if you go to Gaza – if you see the markets, if you see the goods – you'll see that there's no humanitarian problem in Gaza at all. But there is

a problem of the occasional firing of missiles and we have made it very clear that our policy is not to tolerate this drizzle of rocketry. We don't tolerate it. We respond very forcefully and very firmly to each firing on our territory, and I think that as a result, you can see that the level of firing on Israel's towns and villages next to Gaza has diminished considerably. People are enjoying a tranquility they haven't enjoyed for years. Our policy is to respond very, very firmly to any aggression against our people and against our territory. I don't think it's a normal position where a country is hit by rockets and it just lets the rockets accumulate and accumulate and accumulate until you take action. That is not the position of my government. It's not my position so we act very differently as you can see.

**Moderator:** And everyone knows that your time is not your own when you're Prime Minister. I'm told that you have time for one last question. Bloomberg Press from the United States.

**Bloomberg Reporter:** Mr. Prime Minister, there are less than four months until the end of Governor Fischer's first term at the Bank of Israel. The international financial community would like to know if he's going to have a second term. Have you asked him for a second term? If you haven't, why not and if you have asked him, has he conditioned his return on your passing the Bank of Israel Law before he takes the job?

**PM Netanyahu:** Well, frankly I've been busy with agrarian reforms as you see, with the other things that we've been doing obviously on the political and security front. I value Stan Fischer a lot – I think that he's been a tremendous asset to Israel's economy. I happen to, well I'm really engaging now in self-congratulation because I thought of the idea of bringing him here in the first place and I think he's met all my expectations and well above them. What do you think? Do you think we'll want him to continue or not? Well, stay tuned, you know, find out.

Israel has a tremendous economy. I think we have a tremendous economic team. We have a very clear direction – very clear. We want peace with our neighbors. We will defend ourselves obviously if we need to but part of the peace that we envision involves an economic peace. It involves the opening-up of trade and ventures between us and our Palestinian neighbors, between us and Egypt, between us and Jordan, between us and the rest of the Arab world – those who will wish to partake in this. And we think Israel can help an economic resurgence that is good for all.

There used to be a school of thought in the Arab world after the preliminary peace between Israel and Egypt that economic peace gives dividends to one side – that it

was a zero sum gain – one side gains, the other side loses. I think there's been a much greater sophistication that has trickled down and up in the Arab governments and people now understand that economic development – economic growth – rapid growth is good for everyone. It's certainly very good for peace. It's not a substitute for political negotiations but it greases the wheels, so to speak. So we have acted. We practice what we preach. I just showed you what we did in the last eight months to help the Palestinian economy zoom upward by removing all these barriers, all these roadblocks and checkpoints but there's a lot more that we can do with our Palestinian neighbors and with our other Arab neighbors.

But there's also a lot more that we're going to do inside. I think Israel is going to be a very robust economy. We have pretty much done a 'V'. We dropped from 4% growth to 0.5% this year and our projection right now for next quarter is about 4%. And that's our projection. Between 3% and 4%, I think. That's not a projection – that's a target. I don't look at it as a forecast. I look at it as a target. And we will do what we need to do on a quarterly basis with our economy to make sure that we reach the target and exceed it. I think this is very good news for an economy that is about \$27,000-28,000 GDP per capita to grow at that rate but it's not enough. I think we can grow a lot more. If we remove the barriers to competition, if we open up the transportation net that we're going to do – you'll see remarkable things happening in Israel.

We're going to do three things in the coming months and they will have a measurable effect on the Israeli economy. One thing that we've already done is have a land reform that I described. The second is we're going to have what we'll complete tonight when I leave here which is the drafting of a bill for reforming the planning of land. One, you have to make more land available, then you have to make it easily accessible to planners and to developers. And the third is we're going to open up Israel, connect all of Israel with transportation – a rapid transportation system. You will get today on a highway in New York and you will not see a single traffic light up to Los Angeles or Florida or Chicago. In Israel, you can't do that. But Israel is not as big as the United States or even Brazil and what we're going to do is connect with a network of highways and rail Kiryat Shmonah in the north and Eilat in the south and everything in between. And that will make Israel a very – it has the advantage of being a relatively small country. It's a hub. But you can have people living in the Galilee in a fantastic landscape with a fantastic history or living in a desert living like Phoenix or Las Vegas in the Negev or the Arava, an hour or at most two hours from Tel Aviv. That is a revolution.

We're going to do that. The combination of these three things: making land available, simplifying planning and extending rapid transportation north and south will change this country and drive the economy up very rapidly. We will do other things in hi-tech. We will do other things in financial reforms. We have many plans but the ones that I'm talking about here are the simplest things that we can do. We are going for the simplest elements of economic health or the drivers of economic growth – almost classic nineteenth century economics – land, labor, capital. We've made the capital market reforms. We've made many labor reforms. Now we're in the land reforms so that's where I'm going right now to complete these reforms. Thank you very much.