

CNN Larry King Live Interview With PM Netanyahu July 7, 2010

LARRY KING, CNN HOST: Tonight, a prime-time exclusive. Israel's Prime Minister Benjamin Netanyahu on the Palestinians... A few months ago, you went to the White House. It didn't go too well. What changed yesterday?

NETANYAHU: I think there's an underlying relationship there that people don't appreciate. We have our ups and downs. People focus on the downs and the downs are exaggerated and sometimes distorted. But there is ups and there's a basic bedrock of identification, common values between Israel and the United States. The president gives it expression. I give it expression. And yesterday's meeting gave it expression. I think there is a solidity of ties between Israel and the United States that the president of the United States and the prime minister of Israel reflect in their meeting.

KING: No matter who holds the posts?

NETANYAHU: I think every prime minister, every president, has his own points, his own viewpoints, but there's a common position of friendship and a basic alliance that is there, that really is continued by all leaders, whoever they are. That was definitely the case yesterday.

KING: Mr. Prime Minister, have there been times, though, since President Obama took office, where you felt that friendship or that tie weakened?

NETANYAHU: No, a lot of things that the public is not aware of that throughout the year and some that I've been in office, we've had continuous cooperation in the fields of security, in the fields of intelligence, in the fields of vital strategic importance to Israel and the United States. And that seems to go unnoticed or unremarked. People always focus on differences of views that we may have. They're minor compared to the things that unite us.

Israel is the only democracy in the Middle East. America's the world's greatest democracy. We have both common values and, unfortunately, common enemies. The people who attack the United States and the Middle East attack Israel. The people that we are fighting are the people you are fighting. So there's a great commonalty, a great cooperation that goes underneath the surface. And sometimes, I'm happy to say, it does come to the surface. It did yesterday. It really should be an indication of something that guides our relationship throughout.

KING: So there's no time that you question President Obama's commitment to your country?

NETANYAHU: No. And I think there's no time that he questioned Israel's unwavering commitment as a firm American ally. I would say there is no greater ally, no greater friend of the United States, than Israel. And there is no greater friend and no greater ally of Israel than the United States.

KING: There were those who were saying, though, in the past few months, until that meeting yesterday, the relationships were at the lowest they have been in 35 years. Do you buy that?

NETANYAHU: Look, no, I don't. I think the support for Israel and the American people and the intertwining of interests and cooperation between our governments is increasing all the time. It's obscured by the bumps on the road. But there's no

question that the road is going forward and going upwards, I have no doubt about that.

Talks with the Palestinians; Hamas

KING: All right, let's get into some things. Mr. Prime Minister, you say that you want to have direct talks with the Palestinians. So when are you and President Abbas, the Palestinian Authority, going to sit down? When's it going to happen? It's so frustrating to the world -

NETANYAHU: That's an excellent question that I've been asking for a year and a quarter, ever since I got into office. On day one that I got in, I said President Abbas, the Palestinian president, meet me and let's talk peace. And I use this forum today, on the "Larry King" show, to say, President Abbas, meet me, and let's talk peace. We all have our grievances. We all have our, you know, our questions and things that we want answered. But the most important thing is to get together, sit down in a room and begin to negotiate peace. You cannot resolve a conflict, you cannot successfully complete a peace negotiation if you don't start it. And I say let's start it right now, today, tomorrow, in Jerusalem, in Ramallah or anywhere else. I'm prepared to go to a warm city like New York or a cool city anywhere. Let's get on with the business of talking peace and concluding the peace agreement.

KING: So, forgive me, what's holding it up? He could watch this show. We did a show some years ago with Arafat, with Yitzhak Rabin and King Hussein of Jordan, a historic show. I was in Washington. The three of them were in their homelands. It was terrific. Would you do that, if we had you and Abbas and we had the king of Jordan on? Could we do that now?

NETANYAHU: You're on, Larry. From my point of view, immediately, no problem.

KING: All right. So if we worked on that, we could set it up? Because it's frustrating - go ahead.

NETANYAHU: Well, I'm just saying that you're hitting the nail right on the head. I mean, what is there to prevent a meeting between the prime minister of Israel, in Jerusalem, and the president of the Palestinian Authority, Mahmoud Abbas, who's 10 minutes away in Ramallah, that's when you have traffic. Without traffic, it's seven minutes.

I really like and respect Senator George Mitchell, President Obama's envoy to the Middle East. But I find it perplexing and unnecessary that Senator Mitchell has to travel halfway across the world to relay messages between President Abbas and myself. There's no need for that. We should sit down. We have very serious issues to discuss. Our security, the question of where the borders will end up, the question of settlements, the question of Palestinian refugees, the question of water. All these things are crucially important.

The only way that they're going to be resolved is if we actually sit down and negotiate a peace. I think leaders have to do exactly that. I think we have to break molds, break stereotypes, and cut right through to a solution. I'm prepared to do it. I'm prepared to lead. And I hope that President Abbas hears my call, responds to it. I think we'll have important and steady help from President Obama. But there is no substitute for the two leaders. The leader of Israel and the leader of the Palestinian Authority, to get down together, talk peace and make peace.

KING: What about the settlements issue? President Obama said yesterday he expected talks to begin before the moratorium on settlement construction expires which is late September. Will you extend the moratorium, by the way, if things aren't settled by late September?

NETANYAHU: Larry, the whole settlement issue was supposed to be discussed in what are called final status peace negotiations, which means how to achieve a final peace. This is one of the issues we have to resolve.

Seven months ago, I did something quite extraordinary, that is, no other prime minister in Israel's history did this. I put on a temporary freeze of 10 months of new construction in the settlements in order to encourage the Palestinians to get into the peace talks. Seven months have passed by. They don't come in. They say, oh, we need now, another extension. And the answer is, right now, listen, we don't need any pretext and preconditions. Let's just get into the talks. And one of the things we'll discuss, right away, is issues of settlements. And that's what I propose doing. In any case, what is important is to get down and talk. That's the important thing.

KING: President Clinton once said to me that the difficulties in the Middle East are harder to solve than Ireland/England. That it's so deep rooted and so frustrating. Can you explain to a waiting world why you can't get together?

NETANYAHU: I can, and I'm offering to do exactly that. I think there's been a persistent refusal in many Arab quarters to recognize the state of Israel borders. I think the issue of borders is important. It's related to our security. But the issue of recognition, the basic recognition of the Jewish state that exists in the Middle East, that is the homeland of the Jewish people, that lives in peace and security with its neighbors, is something that is recognized by some.

We made peace with Egypt. We made peace with Jordan. I think it's important to make peace with the Palestinians. And I'm prepared to negotiate that peace right away. I think it requires courage on the Palestinian side for all those who don't really want a peace with Israel, to stand up and do what president -- the late president of Egypt, Anwar Sadat did, and to say, hey, it's over, no more war, no more bloodshed. We're going to make a genuine peace with Israel. I'm prepared to have a demilitarized Palestinian state live next to the Jewish state of Israel.

I think the Palestinians should not be either subject of Israel or citizens of Israel. They should have their own independent country. And we should be assured that this country is not used as a staging ground for Iranian-sponsored terrorist attacks on us. And I think this combination of state for the Palestinians and security for Israel is something that can be brought about in direct negotiations that I propose to start without any preconditions, without any pretext. Leaders don't need excuses. They just have to get on with it and I'm prepared to get on with it.

KING: You absolutely favor a Palestinian state though, right?

NETANYAHU: I do. And I want to make sure that we don't have a repeat of what happened in the other two times that we vacated territory. You know, we left Lebanon, every last square inch of it. And Iran came in and used it as a staging ground to launch 6,000 rockets on Israel's cities, 6,000.

We left Gaza, last square inch, and Iran used it to arm its proxies and fired another 6,000 rockets. So we can't afford that happening a third time. Now, when I say that, Larry, you can now reach one of two conclusions. Either don't make any peace attempt or ensure that the peace you do make has the necessary security

arrangements on the ground to prevent this from happening a third time. That's what I propose to do. And I think it's possible to fashion a secure peace for Israel and a dignified peace and a dignified life for the Palestinians. I discussed this at some length yesterday with President Obama. And I'm very happy with the progress of those talks.

KING: All right. But Abbas isn't the only leader we have to concern ourselves with. Would you sit down with Hamas?

NETANYAHU: I'll sit down with anyone who will recognize my existence. Somebody who calls for our destruction, my destruction, is unfortunately not a partner for peace.

KING: So you would not sit down -

NETANYAHU: Would you sit down with somebody who said we want to destroy the United States? Now come and talk to us?

KING: Do you think that can change at all? Do you think there's some way - Secretary Mitchell, Senator Mitchell maybe somewhat in between can get a little tempering of the language? I mean, we're trying for the same result here. Nobody gets killed hopefully.

NETANYAHU: I think in the case of Hamas, it's basically a proxy, a terror proxy of Iran. Iran openly calls for our destruction. It denies the Holocaust. It sponsors terrorism everywhere. It brutalizes its own people. Hamas, by the way, does the same thing to the Palestinians in Gaza. They don't really have a choice. They can't really vote the Hamas out. They can't decide their own fate.

But look at what is happening in the West Bank with our cooperation. You know, we removed hundreds of check points, hundreds of road blocks. And the Palestinian economy on the West Bank is just booming. I mean, there's coffee shops, there's shopping malls, there's e-businesses, you name it. It's growing at about 8 percent or 9 percent a year which isn't bad these days.

And I'm very happy for that. And I want to add on to that a formal peace - peace with security and prosperity. Hamas is totally the other way around. They are subjecting their own people to terrible things. And they're using the territory to just stockpile weapons. I wish they'd change, and I wish they'd accept the state of Israel. But as long as they call for our destruction, there's not much we can do.

Gaza flotilla; relations with Turkey

KING: In May, Israeli forces stormed a ship on a humanitarian mission to Gaza. Several Turkish activists were killed. I don't know, have you ever publicly said that you were wrong to do this?

NETANYAHU: Well, we were definitely sorry about the loss of life. But I'll tell you what happened. First of all, why do we check ships that go to Gaza? Because we are concerned with the possible flow of weaponry into Gaza. We've had, as I said, thousands of rockets fired on us.

I think that what people fail to recognize is that there were six ships. Five of them were totally peaceful and nothing of substance happened. Our navy checked these ships. And we didn't have any incident. The sixth ship was very different. It had about 500 people on it, of which about 450 were peaceful people.

But several dozen were activists of a very radical group that had apparently amassed steel rods, knives, communication equipment. They boarded differently than the other passengers, the other 450 passengers, boarded in one port in Turkey. They went through security checks. These people boarded in another port in Istanbul. They didn't go through any security checks. They had their own communication equipment. They had their own steel pipes and things that they brought on board.

And when our Coast Guard effectively wanted to check this ship and make sure that it behaved the way the other five did, they were brutally attacked. You can see that in the films that were released. Our soldiers, our navy people were fighting for their lives. What would you do if the Coast Guard boarded a ship and the Coast Guard was brutally attacked by people who were, you know, clubbing them, knifing them, taking weapons from them, shooting at them? What do you think would happen? How do you think the American people would respond?

KING: OK. But how do you repair the damage with a state you need to be friendly, Turkey?

NETANYAHU: Well, you're quite right, that Turkey and Israel had an important relationship. Turkey's a very important country in the Middle East. I think that the relationship began to deteriorate with the Turkish policy, a new policy, that basically veers away from the West and I think what has happened with Israel as a result of that policy and not its cause.

But nevertheless, I look for every opportunity to see if we can stop this deterioration and somehow get things back to normal or relatively normal. Last week, I authorized a meeting with one of my senior ministers and the Turkish foreign minister. They met in Zurich, in the airport. I can't tell you that something positive came out of it. But I want to feel, as prime minister of Israel, that I leave no stone unturned in the quest for a broader peace, and the quest of good relations with our neighbors. And even though it may not succeed right now, we'll keep trying.

KING: Will you meet with Turkish leaders?

NETANYAHU: Sure.

KING: We're very interested in your comments, Mr. Prime Minister, on the statements made by former American President Jimmy Carter. He called the incident with the ship, the attack on the ship, unprovoked and an illegal Israeli assault. He also says, there's no way to realize a two-state solution, while, quote, "the people of Gaza remain isolated and deprived of basic human rights." How do you respond to President Carter?

NETANYAHU: Well, first of all, I think he's wrong on the incident. I described to you what happened. We regret the loss of life, but we don't apologize for our soldiers defending themselves. And I think that's obvious. Secondly, I think the people of Gaza are, indeed, incarcerated by Hamas. Third, I removed all the civilian closure that we had. That is, the prevention of free flow of civilian goods, food, medicine, anything, toys. I actually changed a policy that I inherited from the previous government. And it put both civilian closure on Gaza and a security closure.

I said we really have to be clear about our policy. Our policy is that weapons and war-supporting material don't go in. And everything else should go in. Food and everything else should go in. So I changed that policy. And I'm glad I did it, because I think there's clarity and there's common sense in it. I'm sorry that not everyone can see that. But I think fair minded people can see it and, in fact, do.

KING: Does it pain you personally to have a former president of the United States be so critical of your country?

NETANYAHU: Well, I'm sorry he thinks that. I think the overwhelming majority of Americans see things differently. I think successful presidents, including this one, see things differently. And the important thing is to be true to the facts.

The facts are that Israel was attacked from Gaza. The fact is that Iran sends weapons into Gaza so they'd be fired on us. The fact is that this regime, Hamas, is holding an Israeli soldier that they kidnapped for four years. Four years this soldier, Gilad Shalit, has not been allowed to see anyone. They don't allow the Red Cross to visit him. This is a complete violation of international norms. I think if anything bears condemnation, it is this inhumane terrorist regime.

And I would hope that international condemnation is directed there. That's where it belongs, and not against Israel, a struggling democracy, striving to live and to make peace with its neighbors. It should not be condemned.

Israel seeks peace

KING: Does it concern you, Mr. Prime Minister, that Israel's image around the world is poor? You're not in high regard at the U.N. You seem to be, from a public relations standpoint, pr standpoint, in trouble.

NETANYAHU: Well, that's one of the reasons I'm appearing on "The Larry King show." There's a difference between perception and reality. The reality is the people of Israel yearn for peace, pray for peace. We've not had a day's peace, a day of complete peace, since the founding of the state in 1948. We know the cost of wars. Many Israelis have suffered it. I've suffered it personally. I've lost a brother in the war between the wars known as terror. Many of my friends have lost direct relatives.

We know the loss of war. We know the sorrows of war. We know the blessings of peace. Yet, at the same time, we forged a peace agreement with Egypt. We forged a peace agreement with Jordan. And throughout these years, we built a robust economy. Israel is a beehive of creativity and innovation. The economy is growing. It's one of the best performing economies in the developed world.

There's a story there that doesn't get told, both of our desire for peace, our sacrifices for peace, and our building of a better reality. And I can envision, if we had the kind of peace I envisioned with the Palestinians, we could see what we're seeing now in the West Bank, this great prosperity envelop the entire region

I think Israel could make a tremendous contribution to the well-being of its Arab neighbors. I think peace could bring for our children, my children and their children, something beyond their imagination. It could be a different life, a different reality. And I'm prepared to do it. I'm prepared to move and lead my people to that peace. I need a partner on the other side.

Iran

KING: Mr. prime minister, Iran, how much do you fear their intentions? What's the worst-case scenario to you?

NETANYAHU: Well, we've learned in history and in Jewish history to take seriously those who call for our extermination. A lot of people in the past century, the 20th

century, didn't take such calls seriously. And we know the awful price that was paid by the Jewish people and later by rest of humanity for not taking seriously these kinds of statements. The fact that after the Holocaust, a sovereign government at once denies the Holocaust and calls for the destruction of the Jewish state is just outrageous.

Do we take it seriously? Absolutely, we take it seriously. We also know that Israel was founded to defend the Jewish people. So we reserve always the right to defend ourselves.

KING: If you determined that they had nuclear capability, would you attack Iran?

NETANYAHU: You know, I've taken note of President Obama's statement that he's determined to prevent Iran from acquiring nuclear weapons. I see that sanctions have been adopted, modest sanctions at the U.N. But more robust sanctions recently by the Congress was signed by the president the other day. I hope the other nations follow America's lead in this. Will it be enough to stop the Iranian nuclear program? I can't tell you, Larry. I do tell you that the president has said that all options are on the table. And I do tell you that Israel always reserves the right to defend itself. That's the purpose for which it was founded, to defend Jewish lives.

KING: Israel has never said it has nuclear weapons, but the world thinks it does. Why is it OK for Israel to have nuclear weapons and Iran not to have nuclear weapons? Hypothetically, if Israel has them, why is it OK for them to have them and the other not?

NETANYAHU: Well, we said we wouldn't be the first to introduce these weapons into the Middle East. But equally, we're not threatening to destroy any country. We don't seek the destruction of any country or any people. We don't say that an entire people has to be wiped off the map of the Earth. We don't have such intentions.

And I think all nuclear proliferation is bad. But some of it is a lot worse. It does make a difference whether Holland has nuclear weapons, or the Ayatollah regime that sponsored terrorism and calls for Israel's destruction, whether it is nuclear weapons. And I think there's a common understanding right now, something that I spoke about 16 years ago, 14 years - to be precise, 1996, when I was elected, 14 years ago. I spoke before the joint session of the U.S. Congress. I was just elected prime minister. And I said that the greatest threat facing humanity is that Iran would acquire nuclear weapons.

Some eyebrows were raised at the time. I can tell you, 14 years later, that most of the world's leaders today agree with this. There is a question of the distance between understanding and effective action, and that is the ultimate test of leadership and history.

KING: Would you ban all nuclear weapons throughout the world? Would you ban nuclear weaponry entirely?

NETANYAHU: Well, that's beyond my scope. This is a worthy cause, but it's a very complicated issue. And I'm sure you realize that the most important thing is preventing the most dangerous weapons in the world from falling into the hands of the most dangerous regimes. And this is what we really are facing today. We're facing the prospect that people who talk about destruction, who deny the Holocaust, who sponsor terrorism everywhere, who shoot their own citizens on the sidewalk.

Remember that young woman lying there, choking in her own blood. These people who have absolutely no inhibitions about the use of violence and brutality would

acquire the weapons of mass terror, the ultimate mass terror weapons, which is atomic bombs. That's a very, very dangerous development for all of us.

KING: Would there be any point - may sound ridiculous, but speaking is better than killing. Would there be any point for you to sit down with Ahmadinejad?

NETANYAHU: Well, if he wanted to change the policies of Iran. We used to have friendly relations with Iran. It actually recognized Israel. We had exchanges all the time. But, you know, tell me - when Ahmadinejad decides to recognize the state of Israel and seek peace with it, believe me, I'll be there eagerly waiting. But I'm afraid I don't see that. I see the very opposite.

Iraq

KING: What do you make of what's going to happen in Iraq? Will that hold together?

NETANYAHU: I hope so. We are rooting for the success of the American effort and of the Iraqi effort to stabilize Iraq. It went through a very difficult period. We want to see a peaceful Middle East. We want to see a moderate Middle East. I think there's a larger battle taking place between the forces of modernity and the forces of Medievalism. There's no other word that I could use to describe this militancy that tries not merely to eradicate Israel, but to bring down any moderate government in the Arab world and in the Middle East.

In a way, this is the first time in my lifetime that many of the Arab governments and Israel understand that there's a great foe that threatens all of us. And that is the basis of a broader understanding. I don't think peace should be merely forged by common dangers. It should be forged also by the benefits, the blessings of peace, economic blessings, the human blessings of every sort. But today the context of the peace is made perhaps more likely and more possible because of this common enemy that threatens Israel and Arab countries alike.

Hizbullah

KING: What about Hizbullah, Lebanon, four years since the war with Hizbullah and Lebanon. Are you still concerned about them?

NETANYAHU: Unfortunately, yes, because it is basically an Iranian terror proxy. Look, Lebanon was the Switzerland of the Middle East. It's a very beautiful country. It had robust economy. And Iran has moved its surrogates, Hizbullah, into Lebanon. It has piled weapons there. They fire those weapons on Israel. They undermine any attempt at moderation, any movement towards peace.

We always hoped that Lebanon - we always said, we don't know who the first country to make peace with Israel, which country that would be, but certainly Lebanon would be the second country. And, you know, it hasn't happened, not because many Lebanese don't want it, but because radical forces, pro-Iranian forces, like Hizbullah, are preventing it.

And so you have these two enclaves next to Israel, one in the south, Gaza, controlled by one proxy of Hizbullah, preventing the people there from making peace with Israel. And then another enclave in the north, in Lebanon, controlled by another Iranian proxy, Hizbullah, preventing the Lebanese from making peace with Israel, and threatening to throw the entire region into a maelstrom of violence and terror. That's happened before. I hope it doesn't happen again.

But Hizbullah and Hamas are basically Iranian surrogates. As long as Iran doesn't want peace, they don't want peace.

Gilad Shalit

KING: Earlier in the program, you mentioned that Hamas is still holding Gilad Shalit, the Israeli soldier they captured four years ago. Any late word on any efforts?

NETANYAHU: Well, we've had a German mediator, very able man, trying to broker the release. I'm prepared to release 1,000 Palestinian prisoners for Gilad. But so far there's not been an official response of Hamas to this offer that the mediator has made. I have accepted it. They have not. I can only hope that they change their mind.

KING: Do you think that in your lifetime, you will really see peace in your region?

NETANYAHU: I think it's possible to achieve it, yes. Will we achieve it with the entire Middle East? That, I cannot say. Can we achieve it with the Palestinians? I say absolutely. I say that with conviction, because I think it's a question of a rightness for our people's perspective. There is already time. It's now. I think for many Palestinians, the time is now. And I'm prepared to make that effort.

It requires a lot of courage. Maybe that's the quality that supersedes all others. Because if you don't have courage, everything else fails. But if you have it, then everything else is possible. We have the courage to make peace. And I hope, I fervently hope that our Palestinian neighbors have similar courage. With the help of the United States, I think it can be done. Absolutely.

KING: Thank you, Mr. prime minister.