

# THE ECONOMIC CLUB

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O F W A S H I N G T O N, D. C.

**Excerpts from the Signature Event featuring H.E. Benjamin  
Netanyahu, Prime Minister of the State of Israel**

**March 7, 2018**

“*[Israel is]* a combination of free markets and incredible technology. Technology without free markets doesn’t take you very far. Free markets without technology do take you quite a distance. But Israel has the combination because I deliberately moved it that way. And so that withstands a lot of stuff. Also, it gives you the technology to maintain your security. So Israel may be living in a very tough neighborhood, but we protect the country very, very well. And we enable the markets, the innovation, the genius of our people to flourish in thousands and thousands of startups... Invest in Israel. You should.”

“Israel is a tough country to govern in a tough neighborhood. But I think the position that you have to understand is that you cannot gripe about the political system – which I tried to change, by the way. You just do what you can. And the places where you can *[achieve]* the greatest change is in crisis *[situations]*. When you have a crisis, that shibboleth is true – don’t waste it. And I didn’t. When we had an economic crisis, I used it to put in dozens of reforms to carry Israel into a free-market economy. When we had other crises, I used it to move world opinion against Iran and against its attempts to develop nuclear bombs... [W]ithout the activities that we did in many, many areas, I think Iran would have had nuclear weapons long ago... They’re not going to get them. We’re not going to let them.”

“I met with a group of investors... about two weeks into my term as Finance Minister. They said: Why should we invest *[in Israel]*? Everything *[is]* shrinking, collapsing. And I said, well, here’s what I’m going to do... I described to them all these reforms, basically cutting the public sector, reducing the tax rates, reducing the hurdles of competition and so on, just everything – reforming welfare, the lot... And so they said ... what should we invest in? I said to them ... Invest in anything. Invest in a parking space in Tel Aviv... Anything you invest in will be worth a lot more.

Take a look at the numbers. Take a look at the curves. You’ll see that those who listened to me did very well. And today I tell you the same thing, it’s only the beginning. Invest in anything. Invest in technology. Invest in real estate. Invest in infrastructure. You’re going to do very, very well. Israel is an innovation nation. And it’s not a slogan. It’s very powerful. And the future belongs to those who innovate. We innovate.”

“I actually had very good personal relations with all three *[Presidents Trump, Obama, and Clinton]*. But I had disagreements with them... For example, with President Obama we signed an MOU, memorandum of understanding, for a 10-year military aid package to Israel, which I deeply appreciate... It follows the 10-year package that we signed earlier with President George W. Bush... But I had disagreements. The important thing was I could –we were quite clear about that. I didn’t hide it. I’d say with President Trump I have fewer disagreements... In fact, I hadn’t found yet any disagreements, and I don’t expect there to be.”

“I said [*to President Trump regarding the Iranian nuclear deal*], you either fully fix this deal or you fully nix it, because right now it’s a highway with international approval for Iran to get to massive, unlimited enrichment, within a few years. Because what the deal says is that the constraints [*and*] limitations on Iran’s nuclear program, are automatically removed by a change of date. I argued before the U.S. Congress that those constraints should be lifted only by change of behavior. And Iran, since the deal has been signed, has been like a tiger unleashed from its cage. The deal emboldened it, enriched it. Instead of joining the community of nations, they’re just devouring the nations one after the other... [Y]ou should not enable this aggressive regime out to conquer the Middle East... You don’t want the preeminent terrorist-sponsoring regime in the world to have nuclear weapons and the means to deliver them to Washington, D.C. Don’t let it happen.”

“If the United States withdraws [*from the Iranian nuclear deal*], I think the Iranian economy would be in very, very bad shape. The mere fact that President Trump began to talk about the possibility of withdrawal just stopped a lot of investments in Iran. And that created tremors within Iran. You can see that in the periodic eruptions of demonstrations... [T]he fact that you’re limiting the money is creating tensions for the regime inside. And the regime is very concerned with that, very preoccupied with that, which means that those who said that if you squeeze Iran economically you’re going to help the radicals and hurt the moderates, the very opposite is happening. And we should continue to do that. I think Iran should know that it doesn’t have a free pass to a nuclear arsenal and to the conquest of the Middle East. And the only way it can do that is either fully fix the deal or fully nix it.”

“I spoke to every President and urged every President to move the U.S. embassy to Jerusalem. The difference is, they all said they’d do it. [*President Trump*] did it... I was very grateful for this, because this should be seen in a historic perspective... [W]e will remember Trump, because he is the President who recognized Jerusalem as Israel’s capital and moved the embassy there. This will resonate down the ages for us.”

“[M]ost Israelis would favor a [*solution*] where we could separate from the Palestinians. But I don’t think people want that. I don’t want the Palestinians as citizens of Israel and I don’t want them as subjects of Israel. So I want the solution where they have all the powers they need to govern themselves, but none of the powers that would threaten us. What that means is that whatever the solution is, the area west of the Jordan, that includes the Palestinian area, would be militarily under Israel. The overriding security responsibility would be Israel’s... Israel must have the overriding security responsibility for the area west of the Jordan River. Does that comport with full sovereignty? I don’t know. But it’s what we need to live. In this area of the Middle East, full of failed states... it’s very important that Israel be the power responsible for security, because otherwise everyone collapses.”

“[M]ost people would agree to a *[two-state solution]* if they thought that the Palestinians wanted a state next to Israel. But they’re convinced more and more that *[Palestinians]* want a state instead of Israel. And that’s not a real peace. People would go for a real peace, not a fake one.”

“[T]here’s a new hope on the horizon that I’ve never seen in my lifetime... related to the Arab world. Because of the growing danger of Iran... virtually all the Arab countries no longer see Israel as their enemy, but as their vital ally in countering the threat of militant Islam... [W]e are united in stopping the greatest radical Islamic threat of all, which is Iran... And I think that ultimately we might be able to shift the ground. I don’t think it’s readily available right now, but I don’t discount that it could happen. We used to say, if we make peace with the Palestinians we’ll break out and normalize our relations with the Arab world. I think it actually may work more the other way around. We normalize our relations with the Arab world, to help change the perception of the Palestinians.”

“[T]he best response to antisemitism is the state of Israel. The reason antisemitism swept away a third of the Jewish people in the Holocaust is because there was no Jewish state. Now we have a Jewish state. The founders of modern Zionism, especially Theodor Herzl, didn’t say necessarily that antisemitism would disappear when the Jews would have a state of their own. They said that the Jews would be able to fight back. That’s the great difference. We’re able to resist it, to push back.”

“I’m talking on and off *[with]* my coalition partners from here – what I want is to be able to complete the term of this government, which is about November 2019. And if all parties of this coalition agree, that’s what we do. And if not, then we’ll go to elections now. I hope they’ll agree.”

*[On which leaders he’s admired most]:* “Moses, *[Theodore]* Herzl, *[Winston]* Churchill. I think about having dinner with them. Moses, I could get in a word, because he was a stammerer. Churchill, no way. And Herzl, he was tremendous. He was like a modern Moses.”

*[On what he’d like to see as his ultimate legacy as Prime Minister]:* “Defender of Israel, liberator of its economy.”

“...I have a very deliberate strategy. It’s to develop this modern free-market, high-tech economy, *[and]* leverage that into very strong military intelligence and a very strong military period, and since countries need both intelligence against terrorism and other security questions, and they all need civilian technologies, marry the two and create a diplomatic flourishing.”

“...IT companies – Google, Amazon, Microsoft, Facebook, so on – they all have major research facilities in Israel, as do hundreds more. The reason this is important is that Israel is right in the center of this revolution. The revolution is the meeting ground between big data, connectivity, and artificial intelligence. This allows us to revolutionize old industries, where we were quite prominent, like agriculture.”