

Israel & Aid

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July 10, 1996, at a Joint Session of the United States Congress, Israeli Prime Minister Benjamin Netanyahu received a standing ovation for these words: "With America's help, Israel has grown to be a powerful, modern state. ...But I believe there can be no greater tribute to America's long-standing economic aid to Israel than for us to be able to say: we are going to achieve economic independence. We are going to do it. In the next four years, we will begin the long-term process of gradually reducing the level of your generous economic assistance to Israel."

Since 1996, the American taxpayers are still sending Israel \$3 billion a year and providing assorted loan guarantees, waivers, rich technology transfers and other indirect assistance. Before George W. Bush left office a memorandum of understanding between the U.S. and Israel stipulated an assistance package of \$30 billion over the next ten years to be transferred in a lump sum at the beginning of every fiscal year. Israel's wars and colonies still receive U.S. taxpayer monies.

What happened to Mr. Netanyahu's solemn pledge to the Congress? The short answer is that Congress never called in the pledge.

In the intervening years, Israel has become an economic, technological and military juggernaut. Its GDP is larger than Egypt's even though Israel's population is less than one tenth that of the Arab world's most populous nation. The second largest number of listings on America's NASDAQ Exchange after U.S. companies are from Israel, exceeding listings of Japan, Korea, China and India combined. Its venture capital investments exceed those in the U.S., Europe and China on a per capita basis.

Israel is arguably the fifth most powerful military force in the world, and Israel's claims on the U.S.'s latest weapon systems and research/development breakthroughs are unsurpassed. This combination has helped to make Israel a major arms exporter.

The Israeli "economic miracle" and technological innovations have spawned articles and a best-selling book in recent months. The country's average GDP growth rate has exceeded the average rate of most western countries over the past five years. Israel provides universal health insurance, unlike the situation in the U.S., which raises the question of who should be aiding whom?

Keep in mind, the U.S. economy is mired in a recession, with large rates of growing poverty, unemployment, consumer debt and state and federal deficits. In some states, public schools are shutting, public health services are being slashed, and universities are increasing tuition while also cutting programs. Even state government buildings are being sold off.

Under U.S. law, military sales to Israel cannot be used for offensive purposes, only for “legitimate self-defense.” Nonetheless, there have been numerous violations of the Arms Export Control Act by Israel. Even the indifferent State Department has found, from time to time, that munitions such as cluster bombs were “likely violations.”

Violations would lead to a cut-off in aid but with the completely pro-Israel climate in Washington, the White House has never allowed such findings to be definitive.

The same indifference applies to violations of the U.S. Foreign Assistance Act that prohibits aid to countries engaging in consistent international human rights violations. These include the occupation, colonization, blockades and military assaults on civilians in the Palestinian West Bank and Gaza, regularly documented by the highly regarded Israeli human rights group B’Tselem as well as by Amnesty International and Human Rights Watch.

This week, Prime Minister Netanyahu visits President Barack Obama after the recent Israeli announcement of 1,600 new housing units in East Jerusalem made while Vice President Joe Biden was visiting that country.

The affront infuriated New York Times columnist, Tom Friedman, who wrote that Mr. Biden should have packed his bags and flown away leaving behind a scribbled note saying “You think you can embarrass your only true ally in the world, to satisfy some domestic political need, with no consequences? You have lost total contact with reality.”

Friedman, a former Times Middle East correspondent, concluded his rebuke by writing: “Palestinian leaders Mahmoud Abbas and Salam Fayyad are as genuine and serious about working toward a solution as any Israel can hope to find.”

But until a few days ago, the U.S. government had no levers over the Israeli government. Cutting off aid isn’t even whispered in the halls of Congress. Raising the issue would further galvanize Israel’s allies, including AIPAC.

The only lever left for the U.S. suddenly erupted into the public media a few days ago. General David Petraeus told the Senate that resolving the Israeli-Palestinian conflict has foreign policy and national security ramifications for the United States.

He said that “The conflict foments anti-American sentiment, due to a perception of U.S. favoritism for Israel. Arab anger over the Palestinian question limits the strength and depth of U.S. partnerships with governments and peoples in the Area of Responsibility...Meanwhile, Al-Qaeda and other military groups exploit that anger to mobilize support.”

A few days earlier, Vice President Joe Biden told Prime Minister Netanyahu in Israel that “what you’re doing here undermines the security of our troops who are fighting in Iraq, Afghanistan and Pakistan.”

What Obama’s people are publically starting to say is that regional peace is about U.S. vital interests in that large part of the Middle East and, ultimately, the safety of American soldiers and personnel.

As one retired diplomat commented “This could be a game-changer.”

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