

Heard on the Hill

Congress Provides Security Assistance for Israel. Congress passed—and President Bush signed into law—a continuing resolution providing Israel with \$2.38 billion in security assistance. In combination with the additional \$170 million in aid to Israel approved earlier this year, the Jewish state will receive \$2.55 billion in security assistance for fiscal year 2009—in line with the first year of the new 10-year, \$30 billion security assistance agreement reached between the United States and Israel in 2007. The continuing resolution also includes language ensuring that Israel be allowed to use a larger amount of its military assistance in Israel.

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Lawmakers Condemn Prospect of Iran on Security Council. Twenty-three House members sent a letter to U.S. Ambassador to the U.N. Zalmay Khalilzad asking him to urge his U.N. colleagues not to grant Iran's request to become a member of the U.N. Security Council. The letter, authored by REPS. JOHN R. "RANDY" KUHL JR. (R-NY) and ILEANA ROS-LEHTINEN (R-FL), notes that Iran's calls for the destruction of the United States and Israel and its support for terrorist groups constitute a direct violation of the U.N. Charter. The letter also condemns Iran's nuclear weapons pursuit. Subsequently, Iran's application for Security Council membership was overwhelmingly rejected.

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House Calls for Durban Conference to Rein in Anti-Semitism. The House passed a resolution by voice vote that calls upon the Bush administration to urge other world leaders to condition their participation in the 2009 Durban conference on racism on moves by member states to ensure that the conference does not foment anti-Semitism or delegitimize Israel's right to exist. The resolution, sponsored by REPS. HOWARD BERMAN (D-CA) and ILEANA ROS-LEHTINEN (R-FL), comes after the previous Durban conference in 2001 devolved into a forum for Arab countries to defame the Jewish state. •NER•

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Israeli President Shimon Peres**

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NEAR EAST

Report

OCTOBER 16–31, 2008

**AIPAC'S BIWEEKLY ON AMERICAN
MIDDLE EAST POLICY**

EDITOR'S COMMENTS

Stopping Hate

Next April's U.N. Durban Review Conference (known as Durban II) is purportedly about combating racism. That was the very goal of the first such conference held in the South African city in 2001, which devolved into an orgy of vicious anti-Semitism. As preparations continue for Durban II, Western leaders are looking for ways to prevent a repeat performance of the first gathering. Should their efforts fail, the United States ought to lead a broad international campaign of ostracizing and delegitimizing the conference.

Durban I generated such intense levels of hate speech that the United States and Israel withdrew their delegations. The late Congressman and Holocaust survivor Tom Lantos said it was "the most sickening and unabashed display of hate for Jews I have seen since the Nazi period." Unless Western leaders step up efforts to combat the campaign to promote anti-Semitism under the banner of "anti-Zionism," the events of Durban I are likely to recur.

Case in point: The submission by the U.N.'s Asia Group for the conference's official declaration repeats the slander that Israel engages in ...see *Editor's Comments cont'd on pg. 70*

Vital Boost

**CONGRESS BACKS AID INCREASE,
PROTECTING ISRAEL'S MILITARY EDGE**

The House and Senate overwhelmingly passed and sent to President Bush a bill containing critical new provisions aimed at ensuring that Israel has the resources and ability to counter growing threats.

Congress approved provisions, contained in a larger piece of legislation, strongly backing the 2007 U.S.-Israeli agreement that seeks to boost American security assistance to the Jewish state during the next decade. The agreement, or Memorandum of Understanding (MOU), calls for the United States to provide Israel with \$30 billion in security assistance during the next 10 years, including \$2.55 dur-



Photo by the Associated Press

Increased aid will help Israel acquire advanced U.S. weaponry such as the Joint Strike Fighter.

ing fiscal year 2009. The legislation supports the MOU and authorizes the \$2.55 billion in security assistance as called for in the first year of the plan.

The MOU, signed by then-Undersecretary of State Nicholas Burns and Bank of Israel Governor Stanley Fischer, notes that foreign aid enhances the "political, security and economic interests of both countries" and that the two nations "intend to continue their active dialogue on security and economic policy in existing bilateral committees."

The legislation also included a new mandate aimed at ensuring Israel's qualitative military edge (QME)—defined for the first time by Congress as Israel's "ability to counter and defeat any credible conventional ...see *Vital Boost cont'd on pg. 70*

Olive Branch

RECOGNIZING THE TRAGEDY OF WAR, ISRAELI PRESIDENT SHIMON PERES CALLS ON THE ARAB WORLD TO COOPERATE WITH THE JEWISH STATE AND WORK TOWARD PEACE AND PROSPERITY IN THE REGION

Over sixty years have passed since the United Nations General Assembly voted on the historic resolution that would have put an end to the Arab-Israeli conflict. Resolution 181 called for the establishment of a Jewish and an Arab state. Its title was: "Plan of Partition with Economic Union." It envisioned two states for two peoples, each fulfilling a distinct national aspiration. The Jewish people adopted the resolution and established the State of Israel. The Arabs rejected it and led to war. What happened in the ensuing years is much different from the resolution's original intent. While much has changed, the ironies of history summon similar circumstances today.

Today, again, we are the middle of the lake. There is no sense in rowing back. Continuing forward will show how near we are to the shore of peace. A year prior to Israel's declaration of statehood, its first prime minister, David Ben-Gurion, called me, a young man from a kibbutz, to serve in our national defense. Since then, I participated in Israel's dynamic realities: the building of security, striving for peace.

We went through seven wars. All have paid heavily. Tears still flow down the faces of bereaving mothers. Remembrance Days fill the air with silent prayers of widowed families who lost young boys and girls in battle.

Israel Has Made Sacrifices to Make Peace With Its Neighbors

Israel turned military victories to a peace process, knowing that the cost of life renders imperfect peace superior to perfect victories. We have also achieved two peace agreements. The first with the largest Arab country, Egypt. The second with the Hashemite kingdom of Jordan. All the land, water, and natural resources that fell in our hands through war, were repatriated after peace was signed. Our countries can now offer remedies to other disputed areas.

But for peace, the call in our region is to repair the damaged environment and wounded land leading to poverty. If we shall not overcome the desert, the thirst, the pollution—they will overcome us. Joint ventures can meet this call. Nature does not carry a national passport.

With the Palestinians, we negotiate full



ISRAELI PRESIDENT SHIMON PERES

• EXCERPTS OF REMARKS TO
U.N. GENERAL ASSEMBLY •
SEPTEMBER 24, 2008

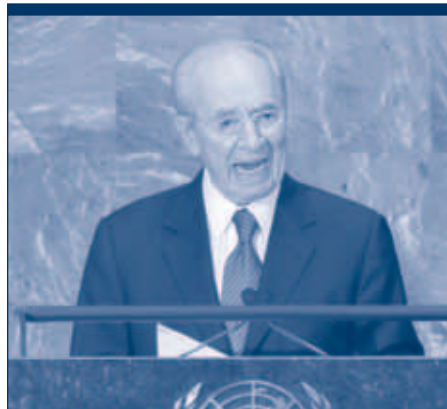


Photo by the Associated Press

Israeli President Shimon Peres invited all Arab leaders to Jerusalem for peace talks.

peace. Both parties agreed to building a Palestinian state side by side with Israel, living in peace, security and respect. We tried to conclude the negotiations this year. It will take longer. But, I believe it can be accomplished within the next year.

We agreed to progress in spite of possible changes that may take place in the leadership. Gaps have been narrowed through negotiations, particularly the territorial ones. But peace is not just a matter of territorial compromise.

Rogue politics reject peace even where territorial dispute was resolved. In Lebanon, we implemented resolution 425. Yet Hizballah paralyzed the country and cut the road to peace. From Gaza, we with-

drew completely and dismantled our settlements. Hamas responded with a bloody takeover and turned the strip into a basis of rocket fire.

Iran's Radical Agenda Undermines Peace Efforts in the Region

At the center of this violence and fanaticism stands Iran. Its quest for religious hegemony and regional dominance divides the Middle East and holds back chances for peace, while undermining human rights.

Iranian support for Hizballah divided Lebanon. Its support for Hamas split the Palestinians and postpones the establishment of the Palestinian state. Iran continues to develop enriched uranium and long-range missiles. The Iranian people are not our enemies. Their fanatic leadership is their problem and the world's concern.

Tehran combines long-range missiles and short-range minds. The General Assembly and the Security Council bear responsibility to prevent agonies before they take place.

Israel has shown that democracies can defend themselves. We do not intend to change. Israel shall continue to seek peace. We suggest immediate peace with Lebanon.

Israeli prime ministers indicated to Syria that for peace, we are ready to explore a comprehensive compromise. In order to gain trust, and save time, we have suggested face-to-face meetings with President Assad. We still await an answer.

I know there is a growing concern that peace is far away. My life-long experience provides me with a different point of view. True, I have seen stagnation and regression in our journey. But, today, I can identify a road leading to the right direction.

After a long internal debate, Israel accepted the two-state solution. The Arabs replaced the three nays of Khartoum (no peace, no negotiation, no recognition) with a peace initiative, inaugurated by King Abdullah Abdul Azziz Al Saud.

I call upon the king to further his initiative. I invite, respectfully, all leaders to come and discuss peace in Jerusalem. Israel shall gladly accept an Arab invitation at a designated venue where a meaningful dialogue may take place. •NER•

Isolating Iran

AS TEHRAN AGGRESSIVELY PURSUES A NUCLEAR WEAPONS CAPABILITY, THERE IS A WIDE ARRAY OF POTENTIAL SANCTIONS THAT THE UNITED STATES CAN IMPLEMENT IN ITS EFFORT TO PREVENT A NUCLEAR-ARMED IRAN

As Iran moves closer toward attaining a nuclear weapons capability, the United States has a variety of sanctions at its disposal that, if implemented, could help persuade Tehran to halt path to the bomb.

The urgency to impose more economic sanctions on Iran grows by the day as the regime continues to openly defy the U.N. Security Council's requirement that it stop its enrichment of uranium, the key step needed to produce nuclear weapons.

The latest International Atomic Energy Agency report says that Iran has increased the number of centrifuges to 3,800 and significantly improved the efficiency of the machines, thus reducing the time required to produce the highly enriched uranium needed for nuclear weapons. At its current pace, Iran could accumulate sufficient low enriched uranium within six months to then quickly produce enough weapons-grade uranium for a nuclear bomb.

Targeting Iran's Central Bank is Key

Iran's Central Bank plays a direct role in facilitating Iran's proliferation and terrorist financing activities. While the United States has already sanctioned four Iranian state-owned banks—effectively barring them from conducting international financial transactions in dollars—imposing restrictions on the Central Bank of Iran would constitute an

even more effective step against the regime. Imposing sanctions on the Central Bank of Iran would have a crippling impact on Iran's continued ability to operate in the international financial sector.

Many Companies Continue to Deal With Sanctioned Iranian Entities

While many international banks have stopped doing business with Iranian banks, many other financial institutions, particularly in Asia, continue to do business with them. U.S. sanctions against these banks would send an important message to the international community that companies cannot expect to do business with Iran and continue to conduct business in the United States.

Likewise, although the United States has already sanctioned the Islamic Republic of Iran Shipping Lines, the Iranian company continues to do business with other shipping companies and ports. The United States could further isolate Iran by sanctioning any shipping company or port doing business with Tehran.

Also, sanctioning companies doing business with Iran's elite paramilitary force, the Islamic Revolutionary Guard Corps (IRGC)—which has been designated as a nuclear arms proliferator—would play a critical role in stemming Iran's threatening behavior. Moreover, the United States can

further isolate Iran by leading an international effort to prohibit the export to Iran of all refined petroleum products. Iran imports more than 40 percent of its gasoline, and limiting the country's access to it would have a devastating effect on Iran's economy.

The U.S. Can Implement Existing Sanctions Against Foreign Firms

In addition to the above new sanctions, the United States can implement measures that already exist under U.S. law.

In 1996, Congress passed the Iran-Libya Sanctions Act, which requires the United States to impose sanctions on companies investing \$20 million or more per year in Iran's petroleum sector. Today, there are approximately 20 non-U.S. companies liable for sanctions under the law, and states around the country have begun to divest from them. A designation and subsequent sanction of one of these companies by the federal government would have a chilling effect on the others and would be a huge setback for Iran's future economic outlook.

While it may be increasingly difficult to pass meaningful sanctions against Iran at the United Nations in the face of Russian and Chinese opposition, it is clear that the United States has several options to ratchet up pressure on the regime to persuade it to drop its pursuit of nuclear weapons. •NER•

Implement Existing Sanctions

The U.S. can implement existing sanctions to penalize companies investing in Iran's energy sector as a deterrent to other firms.

Limit Iran's Importation Refined Petroleum

Reducing Iran's access to refined petroleum could cripple the regime, which must import 40 percent of its daily gasoline.

**PUTTING
THE
SQUEEZE**

**ON
IRAN**

**THE U.S. CAN TAKE
CRITICAL STEPS TO PRESSURE
IRAN TO HALT ITS ILLICIT
NUCLEAR PROGRAM**

Sanction Iran's Central Bank

The Central Bank controls much of Iran's proliferation and terrorist financing activities.

Sanction Companies Dealing with IRGC

Iran's Islamic Revolutionary Guard Corps plays a key role in Tehran's proliferation efforts.

"apartheid," "crimes against humanity" and "genocide" against the Palestinians. As the organization U.N. Watch points out, the submission's wording is "almost verbatim" that of the Asia Group's pre-Durban I draft. While singling out Israel, the text fails to mention any human rights violations committed by members of this regional group, such as Arab states or Iran.

The United States and its allies have led the efforts to prevent a replication of Durban I. Canada has said that it will boycott the conference; France has threatened to "disengage," while Britain is seeking to "avoid the disgraceful anti-Semitism that occurred" in Durban I.

In April, our U.N. Ambassador Zalmay Khalilzad pledged that America "will not participate unless it is proven that the conference will not be used as a platform for anti-Semitic behavior." Last month, the House of Representatives passed a resolution calling on the administration to "lead a high-level diplomatic effort" to defeat efforts to promote anti-Semitism at Durban II.

As part of this diplomatic effort, the United States must convince our allies to condition their own participation at Durban on removing hatred and bigotry from its agenda. During the next six months, America should use the preparatory process to halt the further demonization of Israel. Should these efforts fail, the only effective antidote to the Durban anti-Semitic poison would be wall-to-wall Western boycotts and denunciations. •NER•

Singing for Peace

BEATLES LEGEND PAUL MCCARTNEY PERFORMS IN ISRAEL DESPITE THREATS

In front of 40,000 fans in Tel Aviv last month, Sir Paul McCartney performed Beatles classics such as "Hello Goodbye," "Eleanor Rigby" and "Yesterday," marking the rock star and icon's first show in Israel.

While many revelers in the audience may have been too young to remember the Beatles' golden age, that didn't stop thousands of them from enthusiastically embracing McCartney, cheering and singing along throughout his performance.

The show comes 43 years after the Israeli government, according to some accounts, banned the Beatles in 1965 out of concern that the group would corrupt the morals of the youth.

In the days surrounding the event, "Beatlemania" was palpable in the Israeli press as articles dominated headlines with topics ranging from fans' reactions to what type of car McCartney would drive while in Israel.

Saying his concert constitutes a mission of peace for Israel and the Palestinians,

McCartney dubbed the concert "Friendship First."

In deciding to play in Israel, McCartney defied threats from extremists to derail the event. McCartney received threats from Palestinian groups as well as a Lebanese cleric, Omar Barki Muhammad, who said, "The sacrifice operatives will be waiting for him." Yet McCartney was not deterred. "I was approached by different groups and political bodies who asked me not to come here," McCartney told *The Guardian*. "I refused. I do what I think, and I have many friends who support Israel."

Speaking to reporters on the eve of his performance, McCartney said: "People ask this question through the years: 'Do you think music can change things?' I think it can. I think it's good for people's souls. I think without music it would be a seriously bad world. I'm bringing a message of peace, and I think that's what the region needs." •NER•

Vital Boost....cont'd from pg. 67

military threat from any individual state or possible coalition of states or from non-state actors." The Israel provisions were spearheaded by House Foreign Affairs Committee Chairman Howard Berman (D-CA) and Ranking Member Ileana Ros-Lehtinen (R-FL).


The legislation also mandates a presidential review of Israel's QME, with subsequent reports to Congress, as well as a certi-

fication that any proposed sale or export of military weapons or services to the Middle East "will not adversely affect" Israel's QME. This mandate is critical to continuing Israel's deterrence in an unstable neighborhood as more sophisticated weapons make their way into the region.

This new benchmark will give future administrations a guide to determine if proposed military sales to the region will undermine Israel's military advantage. •NER•

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