

# Israel and the United States: The Special Bond Between Two Nations and Two Peoples

## The United States and Israel

*The Special, Unbreakable Relationship*

The strength of the relationship between Israel and the United States is a testament to our friendship, partnership and alliance. The friendship between Israel and the United States runs deep—shared values, economic partnership, strategic cooperation, humanitarian assistance and cultural ties.

Only eleven minutes after Israel declared its independence in 1948, President Harry Truman recognized the new Jewish State. Since this time, all the leaders of the United States have expressed their support for the State of Israel, and the people of both countries have continually nurtured, promoted and developed their shared values and interests. ... The unique and special relationship between Israel and the United States is multifaceted, heartfelt and strong. Our partnership is bound to expand and progress in the years to come. ♦

**“The United States supports Israel not because of favoritism based on political pressure or influence but because the American people and their leaders say that supporting Israel is politically sound and morally just”. –Former Secretary of State George Schultz in U.S. News & World Report: “The ‘Israel Lobby’ Myth” - Sept. 9, 2007**

## Israel is Now America’s Closest Ally

Written by **Michael B. Oren**, *Wall Street Journal*, May 7, 2008  
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President George W. Bush will soon make his second visit to Israel in less than six months, this time to celebrate the country’s 60th anniversary. The candidates for the presidency, Republican and Democratic alike, have all traveled to Israel and affirmed their commitment to its security. So have hundreds of congressmen.

American engineers, meanwhile, are collaborating with their Israeli counterparts in developing advanced defense systems. American soldiers are learning antiterrorist techniques from the Israeli army.

Israel is the only Middle Eastern country where the American flag is rarely (if ever) burned in protest – indeed, some Israelis fly that flag on their own independence day. And avenues in major American cities are named for Yitzhak Rabin and Golda Meir. Arguably, there is no alliance in the world today more durable and multifaceted than that between the United States and Israel.

Yet the bonds between the two countries were not always so strong. For much of Israel’s history, America was a distant and not always friendly power.

**LEFT:** Prime Minister Yitzhak Rabin with U.S. Ambassador to the U.N. Daniel Moynihan in a suite at the Waldorf Astoria in New York.

**RIGHT:** Prime Minister Barak and American Secretary of State Madeleine Albright at a meeting during peace talks with Palestinians at Camp David II in 2000.



### WEB RESOURCES:

Israel Embassy, Washington D.C.:  
[www.israeemb.org](http://www.israeemb.org)  
U.S. Embassy and Information Service Israel:  
<http://usembassy-israel.org.il>  
America-Israel Friendship League:  
[www.aifl.org](http://www.aifl.org)  
America-Israel Public Affairs Committee:  
[www.aipac.org](http://www.aipac.org)  
Shalem Center:  
[www.shalem.org.il](http://www.shalem.org.il)



Consider the period before Israel's founding in 1948, during the British Mandate over Palestine. Though many Americans, Christians as well as Jews, were committed to building the Jewish national home, their government's policy was strictly hands-off. Palestine, in Washington's view, was exclusively Britain's concern, and the Arab-Jewish conflict was a British headache.

Accordingly, the Roosevelt administration raised no objection to Britain's 1939 decision to end Jewish immigration into Palestine, sealing off European Jewry's last escape route from Nazism. The U.S. indifference to Zionism deepened during World War II, when America feared alienating its British allies and angering the Arabs, whose oil had become vital to the war effort. Deferring to British and Arab demands, America confined hundreds of thousands of Holocaust survivors in displaced-persons camps in Europe rather than let them emigrate to Palestine.

America's ambivalence toward Zionism persisted after the war, as the battle against Nazism gave way to the anticommunist struggle. While a sizeable majority of Americans welcomed Israel's creation in May 1948, policy makers in Washington feared that such support would trigger an Arab oil boycott of the West and the Soviet take-over of Europe. Secretary of State George Marshall even warned the president, Harry Truman, that he would not back him for re-election if he recognized the newborn state. An ardent Baptist whose best friend was a Jew, Truman ignored these warnings and made the U.S. the first nation to accord de facto recognition to Israel. But buckling to State and Defense Department pressures, Truman also imposed an arms embargo on Israel during its desperate war of independence. Later, he arm-twisted Israeli leaders to relinquish land to the Arabs and to readmit Palestinian refugees.

Pressure for territorial concessions escalated under Truman's successor, Dwight D. Eisenhower, who also vetoed weapons sales to Israel. His secretary of state, John Foster Dulles, dismissed Israel as "the millstone around our necks," and threatened it with sanctions during the 1956 Suez Crisis. Israel is home to the Middle East's largest memorial to John F. Kennedy, but Kennedy similarly refused to sell tanks and planes to Israel, and warned that America's relationship with the Jewish state would be "seriously jeopardized" by Israel's nuclear program. Lyndon B. Johnson was the first president to invite an Israeli prime

minister, Levi Eshkol, to Washington – 16 years after Israel's birth – but he then balked at Eshkol's request for American help against the Arab armies assembling for war in June 1967. "Israel will not be alone unless it decides to go it alone," Johnson replied, implying that the U.S. would not stand beside Israel militarily.

The Six-Day War nevertheless inaugurated a dramatic change in America's attitude toward Israel. Israel's astonishing victory in that conflict instantly transformed the "millstone" into an American asset, a hardy fellow democracy and Cold War ally. Nixon regarded Israel as "the best Soviet stopper in the Mideast," and furnished the weaponry Israel needed to prevail in the 1973 Yom Kippur War. Gerald Ford and Jimmy Carter both ran on platforms highly favorable to Israel, and dedicated themselves to the search for Israel-Arab peace. By the end of the 1970s, an inchoate U.S.-Israeli alliance had emerged, sealed by the existence of a potent pro-Israel lobby in Washington and the extension to Israel of billions of dollars of American aid.

But the relationship was hardly friction-free. Israel's reluctance to forfeit territories captured in 1967, and its efforts to settle them, became a perennial source of tension. Presidents Ford and Carter threatened to withhold assistance from Israel unless it made territorial concessions. President George H.W. Bush denied Israel loan guarantees for resettling Russian immigrants in the West Bank. Israel's security policies also jolted the alliance – Ronald Reagan condemned Israel's bombardment of the Iraqi nuclear reactor in 1981 as well as its siege of Beirut the following year. Americans, in turn, irritated the Israelis with their transfer of sophisticated weapons to Saudi Arabia and their opposition to Israeli arms sales to China.

## MICHAEL B. OREN, PHD

Michael B. Oren, PHD, a senior fellow at the Shalem Center in Jerusalem, is the author of *Power, Faith, and Fantasy: America in the Middle East, 1776 to the Present*, now available in paperback from Norton. He is also the author of *Six Days of War: June 1967 and the Making of the Modern Middle East*.

**BELOW:** Prime Minister Begin (left), U.S. President Carter (middle) and Egyptian President Sadat at the signing of the Camp David agreement at the White House in Washington.



MILNER MOSHE. © GPO-ISRAEL NATIONAL PHOTO COLLECTION

Such rifts have grown increasingly infrequent, however, and today there are few visible fissures in the U.S.-Israeli front. Yet America has never recognized Jerusalem as Israel's capital – imagine if Israel refused to recognize Washington. Powerful interest groups lobby against Israel in Washington while much of American academia and influential segments of the media are staunchly opposed to any association with Israel.

How does the alliance surmount these challenges?

One reason, certainly, is values – the respect for civic rights and the rule of law that is shared by the world's most powerful republic and the Middle East's only stable democracy. There is also Israel's determination to fight terror, and its willingness to share its anti-terror expertise. Most fundamentally, though, is the amity between the two countries' peoples. The admiration which the U.S. inspires among Israelis is overwhelmingly reciprocated by Americans, more than 70% of whom, according to recent polls, favor robust ties with the Jewish state.

No doubt further upheavals await the alliance in the future – as Iran approaches nuclear capability, for example. Israel may act more muscularly than some American leaders might warrant. The impending change of U.S. administration will also have an effect. But such vicissitudes are unlikely to cause a major schism in what has proven to be one of history's most resilient, ardent and atypical partnerships. ♦

## Common Values

### *National Historical Experiences*

**Democracy:** Israel and the United States are both democracies that hold liberty in the highest regard. Moreover, Israel is the sole democracy in the Middle East. In our respective regions and throughout the world, we are examples of the democratic values of peace, freedom, and justice. As democracies, both Israel and the United States are committed to freedom, equality and tolerance for all people regardless of religion, race or gender. Freedoms of conscience, speech, assembly and press are embedded in the fabric of both American and Israeli society. ♦



***“Israel was not created in order to disappear - Israel will endure and flourish. It is the child of hope and home of the brave. It can neither be broken by adversity nor demoralized by success. It carries the shield of democracy and it honors the sword of freedom.”***

***– President John F. Kennedy***

**Immigration:** Like the United States, Israel is in large part a nation of immigrants. Israel has welcomed newcomers inspired by Zionism, the Jewish national liberation movement. Zionism is an expression of the Jewish yearning to live in their historical homeland, the Land of Israel. The largest numbers of immigrants have come to Israel from countries in the Middle East and Europe where Jews have been persecuted.

The United States has played a special role in assisting Israel with the complex task of absorbing and assimilating masses of immigrants in short periods of time. Soon after Israel's War of Independence, President Truman offered \$135 million in loans to help Israel cope with the arrival of thousands of refugees from the Holocaust. Within the first three years of Israel's establishment, the number of immigrants more than doubled the Jewish population of the country.

Mass immigrations have continued throughout Israeli history. Since 1989, Israel absorbed approximately one million Jews from the former Soviet Union. The United States worked with Israel to bring Jews from Arab countries, Ethiopia and the former Soviet Union to Israel, and has assisted in their absorption into Israeli society. ♦



**TOP:** New immigrants from Ethiopia and the USSR in the Absorption Hall at Ben Gurion Airport.

**ABOVE:** A copy of the Philadelphia Liberty Bell, presented to the State of Israel and placed in Liberty Bell Garden in Jerusalem.

## Strategic Military Cooperation

### *Israel as America's Strongest and Most Loyal Ally in the Middle East*

From *Israel and the United States: Friends, Partners, Allies*, Embassy of Israel, 2007

The U.S. and Israel are engaged in extensive strategic, political and military cooperation. This cooperation is broad and includes American aid, intelligence sharing, joint military exercises, and a mutual commitment to defending democracy.

American military aid to Israel comes in different forms, including grants, special project allocations and loans.

Approximately 75% of this aid is spent in the United States, providing American jobs, buttressing the American defense industry, and generating economic growth.

### Memorandum of Understanding

Comprehensive cooperation between Israel and the United States on security issues became official in 1981 when Israel's Defense Minister Ariel Sharon and American Secretary of Defense Casper Weinberger signed a Memorandum of Understanding that recognized "the common bonds of friendship between the United States



**ABOVE:** The arrow missile, manufactured by the Israel Aircraft Industry, on display at the "Le Bourget" Air Show near Paris, France.

**BELOW:** The Kennedy Memorial near Jerusalem. It was designed in the shape of a cut tree trunk, symbolizing a life cut short.



and Israel and builds on the mutual security relationship that exists between the two nations."

The memorandum called for several measures to address threats to security in the Middle East, including joint military exercises and readiness activities, cooperation in defense trade and access to maintenance facilities. The signing of the Memorandum of Understanding marked the beginning of close security cooperation and coordination between the American and Israeli governments.

### Arrow Missile System

One facet of the U.S.-Israel strategic relationship is the joint development of the Arrow Anti-Ballistic Missile Program. Designed to intercept and destroy ballistic missiles, the Arrow is the most advanced missile defense system in the world. The development is funded by both Israel and the United States. Not only does the Arrow protect Israel, it has also provided the U.S. the research and experience necessary to develop additional defensive weapons systems. ♦

## Homeland Security

### *A Relationship Between the U.S. and Israel Born of Shared Experience*

### Counter-Terrorism

In April 1996, President Bill Clinton and Prime Minister Shimon Peres signed the U.S.-Israel Counter-terrorism Accord. The two countries agreed to further cooperation in information sharing, training, investigations, research and development and policymaking.

"The United States stands with Israel through good times and bad because our countries share the same ideals: freedom, tolerance, democracy. We know that whenever those ideals are under siege in one country, they are threatened everywhere. We have never been more determined to achieve and to defend those ideals and to achieve our goal of a just and lasting peace for all the people of the Middle East". *President Bill Clinton, at the signing of the U.S.-Israel Counter-Terrorism Cooperation Accord.*

### Homeland Security

At the federal, state and local levels there is close Israeli-American cooperation on Homeland Security. Israel

was one of the first countries to cooperate with the U.S. Department of Homeland Security in developing initiatives to enhance homeland security. In this framework, there are many areas of partnership, including preparedness and protection of travel and trade. American and Israeli law enforcement officers and Homeland Security officials regularly meet in both countries to study counter-terrorism techniques and new ideas regarding intelligence gathering and threat prevention.

“The United States and Israel must join together in combating the threat of nuclear smuggling and international terrorism. I know that our joint efforts under this project will directly contribute to our mutual nonproliferation objectives and to the safety and security of our two nations and the global maritime system.”  
*Ambassador Linton F. Brooks Under Secretary of Energy for Nuclear Security and Administrator of the National Nuclear Security Administration*

In December 2005, the United States and Israel signed an agreement to begin a joint effort to detect the smuggling of nuclear and other radioactive material by installing special equipment in Haifa, Israel’s busiest seaport. This effort is part of a nonproliferation program of the U.S. Department of Energy’s National Nuclear Security Administration that works with foreign partners to detect, deter, and interdict illicit trafficking in nuclear and other radioactive materials. ♦

## WEB RESOURCES:

For more information please visit the Institute for Counter-Terrorism:  
[www.ict.org.il](http://www.ict.org.il)  
Israel Ministry of Public Security  
[www.mops.gov.il/BPEng](http://www.mops.gov.il/BPEng)  
Jewish Institute for National Security Affairs:  
[www.jinsa.org/home/home.html](http://www.jinsa.org/home/home.html)

**BELOW LEFT:** Patriot missiles being launched to intercept an Iraqi scud missile over the city of Tel Aviv on December 2, 1991.

**BELOW RIGHT:** Michigan law enforcement officers learn about homeland security and anti-terrorism practices from Israeli officials at the Laurel Manor Hall in Livonia, July 2008.

## Sharing Israel’s Experience

In 2002, JINSA (Jewish Institute for National Security Affairs) established the Law Enforcement Exchange Program (LEEP) in cooperation with the Israeli National Police and Ministry of Homeland Security to support American law enforcement efforts. It is our hope that this project creates a way for law enforcement to achieve multiple goals. The program seeks to obtain best practice knowledge on counter-terrorism issues from renowned experts, while sharing this knowledge with American colleagues of all ranks. The program also seeks to establish an ongoing program of communication and cooperation among American colleagues and international law enforcement.

LEEP has taken a two-pronged approach to its programming. The first is the planning of small-group trips to Israel for senior American law enforcement officials where they can study methods and observe techniques first-hand used by Israeli police forces and other security agencies, in preventing and reacting to acts of terrorism. Since 2002 LEEP has already conducted six study trips to Israel with many high-level law enforcement participants. The most recent study trip to Israel took place in February.

Since it is clear that it is logistically impossible to accommodate all American law enforcement executives with a program in Israel, the second approach is to arrange for conferences in the United States planned to encapsulate the program in Israel. In the true spirit of an “exchange program” and in order to more adequately educate officers of all ranks, JINSA created the LEEP Conference Series in 2004 and since that time has exposed over 8,000 law enforcement officials from around the United States to Israeli Counter Terrorism methodology. ♦



# U.S. - ISRAEL ECONOMIC RELATIONS

## Federal Government Level

"I believe this new economic relationship with our friends in Israel will further our historic friendship, strengthen both of our economies, and provide for new opportunities between our peoples for communication and commerce. Nothing better demonstrates the shared community of aspirations between our nations than our promotion of free and harmonious trade for our mutual benefit."-- President Ronald Reagan

The cornerstone of the vibrant U.S.-Israel economic relationship is the 1985 Free Trade Agreement (FTA), the first FTA ever signed by the United States. (See article below) Over the last 20 years the FTA has enabled a sevenfold expansion of bilateral trade. Israel has become one of the largest trading partners of the U.S. in the Middle East and Israel's prime export destination is the United States.

The Israeli and American economies share common commitments to a free market, competitiveness, active support of international trade liberalization and of the multilateral trading system. There is constant dialogue between the governments of Israel and the United States to upgrade their economic relationship and to ensure a continued prosperous partnership. ♦

## High-Tech R&D Cooperation

There are a variety of foundations dedicated to developing cooperation between Israel and the United States. The Israel-U.S. Binational Industrial Research and Development Foundation (BIRD), the U.S.-Israel Binational Agricultural Research and Development Fund (BARD) and the U.S.-Israel Binational Science Foundation (BSF) are three foundations that generate mutually beneficial cooperation in industrial research

### WEB RESOURCES:

Ministry of  
Finance:  
[www.mof.gov.il/  
mainpage\\_eng.asp](http://www.mof.gov.il/mainpage_eng.asp)

Ministry of  
Industry, Trade  
& Labor:  
[www.moital.gov.il](http://www.moital.gov.il)

Investment  
Promotion  
Center:  
[www.investinIsrael.gov.il](http://www.investinIsrael.gov.il)

Israel Export  
Institute:  
[www.export.gov.il/Eng](http://www.export.gov.il/Eng)

U.S. Commercial  
Service:  
[www.buyusa.gov/israel/en](http://www.buyusa.gov/israel/en)

Manufacturer's  
Association of  
Israel:  
[www.industry.org.il/Eng](http://www.industry.org.il/Eng)

Federation of  
Israeli Chambers  
of Commerce:  
[www.chamber.org.il](http://www.chamber.org.il)

The Israel Export  
Insurance Corp.  
(ASHR'A):  
[www.ashra.gov.il/eng](http://www.ashra.gov.il/eng)

Trade Fairs and  
Exhibits in Israel  
in 2009  
[www.kenesexhibitions.  
com/eng2009.asp](http://www.kenesexhibitions.com/eng2009.asp)

BIRD  
[www.birdf.com](http://www.birdf.com)

TRIDE  
[www.tride-f.com](http://www.tride-f.com)

and development, technological innovation, agriculture and scientific research.

BARD is a competitive funding program for mutually beneficial, mission-oriented, strategic and applied research of agricultural problems, jointly conducted by American and Israeli scientists. Most BARD projects focus on increasing agricultural productivity, particularly in hot and dry climates, and emphasize plant and animal health, food quality and safety, and environmental issues. BARD also supports international workshops and postdoctoral fellowships. BARD is empowered to fund scientists affiliated with public or not-for-profit, private entities and to encourage the exchange of agricultural scientists, engineers or other agricultural experts. BARD has funded over 870 research projects in locations throughout most of the fifty states. The estimated dollar benefits to the United States of ten BARD projects will total \$440 million through the year 2010. BARD: [www.bard-isus.com](http://www.bard-isus.com)

BIRD supports approximately fifteen projects annually in the field of R&D with a total investment of around \$11 million per year. One of BIRD's initiatives is: TRIDE: an acronym for TRi-lateral Industrial DEvelopment. Jointly established by the U.S., Israeli and Jordanian governments, TRIDE is a catalyst for joint research & development between Israeli, Jordanian & American companies.

TRIDE's mission is to stimulate and promote cooperation between Israeli, Jordanian and U.S. firms to jointly develop and commercialize new products and technologies. TRIDE removes impediments and shares the companies' risks by financing part of their joint development cost.

BSF: The U.S.-Israel Binational Science Foundation was established in 1972 by the governments of the United States and Israel. Since its establishment, the Foundation has promoted and supported cooperative, scientific and technological research for peaceful purposes and for the benefit of both countries. To qualify for BSF grants, proposals must indicate active collaboration between American and Israeli scientists, and be of excellent scientific merit as judged by peer review. BSF has supported nearly 4000 cooperative research programs and many BSF grantees have gone on to win prestigious awards, including the Nobel Prize. ♦

# Cooperative Space Program

“The Star of David, the ‘blue and white’ of our flag, were interwoven with the American Stars and Stripes, and the common fate of the team poignantly strengthened the staunch partnership between our nations.”-- Prime Minister Sharon at Col. Ilan Ramon’s funeral.

Israel is one of only eight countries in the world to develop, produce and launch its own satellites. (See Chapter 7). In addition, Israel has developed powerful rockets and initiated important space-related research projects. Israeli scientists have participated in NASA projects and both countries have benefited from cooperative research.

When NASA launched the space shuttle Columbia on January 16, 2003, the seven crewmembers on board included the first Israeli astronaut, Col. Ilan Ramon. Ramon conducted several Israeli-designed experiments during the sixteen day mission, including the Mediterranean Israeli Dust Experiment, studying desert dust as a crucial factor of global warming. He took many photos over Israel using an Israeli camera specially designed for the mission.

After a successful two-week mission, the Space Shuttle Columbia tragically exploded over Texas during re-entry, killing all the crew members. Despite this tragedy, Israel and the United States intend to continue to work together to expand the frontiers of science. ♦

**“... I think it’s very, very peculiar to be the first Israeli up in space ... my background is kind of a symbol of a lot of other Israelis’ background. My mother is a Holocaust survivor. She was in Auschwitz. My father fought for the independence of Israel not so long ago. I was born in Israel and I’m kind of the proof for them, and for the whole Israeli people, that whatever we fought for and we’ve been going through in the last century – or maybe in the last two thousand years – is becoming true.”**  
**- Ilan Ramon**



**WEB RESOURCES:**  
 Israel Space Agency: [www.most.gov.il](http://www.most.gov.il)  
 NASA: [www.nasa.gov](http://www.nasa.gov)  
 Middle East Interactive Data Archive [www.nasa.proj.ac.il](http://www.nasa.proj.ac.il)  
 Israel in Space, MFA: [www.mfa.gov.il](http://www.mfa.gov.il)

**ABOVE:** Crew of the Shuttle Columbia. Seated in front are astronauts Rick D. Husband (left), mission commander; Kalpana Chawla, mission specialist; and William C. McCool, pilot. Standing are (from left) astronauts David M. Brown, Laurel B. Clark, and Michael P. Anderson, all mission specialists; and Ilan Ramon, payload specialist representing the Israeli Space Agency.

**RIGHT:** Space Shuttle Columbia hurtles toward space on mission STS-107.

**BELOW:** Ilan Ramon participates in a mission training session in one of the high fidelity trainer/mockups in the Space Vehicle Mockup Facility at the Johnson Space Center (JSC).



THE SPECIAL BOND BETWEEN TWO NATIONS AND TWO PEOPLES

## Economic Cooperation

### *Israel and the United States*

Written by **Sherwin Pomerantz**, *Chairman, American State Offices Association (Israel)*

For the first 35 years of Israel's existence, from 1948-1983, bilateral trade between Israel and the United States never went above \$1 billion, but in 1983, the United States implemented its first free-trade agreement (FTA) with another country, and that country, amazingly, was Israel.

Former U.S. Sen. William Brock was the U.S. Trade Representative in 1983 when he tried to fashion a conference of trade ministers of various countries in order to develop a platform for the elimination of trade tariffs between countries in the context of GATT (General Agreement on Tariffs and Trade). The conference in Geneva got off to an auspicious start but quickly deteriorated when it became obvious that, in 1983, most countries were not yet ready to drop their trade barriers.

Returning to Washington, no longer the idealistic individual who was going to address the world's trade problems in one fell swoop, Brock approached then-President Ronald Reagan with a suggestion to develop bilateral free trade agreements that would serve as models for the rest of the world. The hope was, of course, that whichever agreement was ratified first, the program would be so successful that other countries would want to follow suit.

Given the strong relationship between the United States and Israel, Brock's long history of involvement with Israel and Reagan's historical support for the young nation, the suggestion was made that the first country to benefit from this approach be Israel. After all, it was a small country, with solid leadership, a good business community and had the ability to move quickly.

Brock began a dialogue with Israel and his counterpart there, Gideon Patt. The dialogue took two years, and in 1985, the United States' first bilateral free trade agreement was put in place, with Israel as the first country to benefit from this arrangement.

That single event put Israel on the map as a potentially significant trading partner for the United States, which resulted in the fact that, today, Israel ranks among the top-20 trading partners of the United States, and the free-trade agreement model has multiplied worldwide.

U.S. states, which had been cautiously opening trade and investment offices worldwide in a number of locations throughout the world, also began looking at Israel as a possible location for such operations. However, the market was small and it was not until the passage of the Oslo Accords in 1993, which made it possible to use Israel as the base for a regional office, that U.S. states began looking seriously at the potential that this represented.

Massachusetts was the first state to open an office for these purposes in Israel in the early 1990s, followed soon after by California and, ultimately, by 18 other that established either a physical office or retained Israel-based representation. These included, in addition to the above, Connecticut, New York, New Jersey, Pennsylvania, Ohio, Maryland, Virginia, Indiana, Illinois, Missouri, Oklahoma, Delaware, Georgia, Alabama, New Mexico, Florida, Wisconsin and Utah. Most of these offices were regional in nature, as well, covering the entire area from Turkey to the UAE.

Sadly, during the economic downturn of 2000-2001, shrinking state budgets forced a number of these states to cut back their overseas operations. Today, 10 states



**ABOVE:** President Ronald Reagan and President Yitzhak Navon during their meeting in the oval office at the White House in Washington.

**BELOW:** Prime Minister Yitzhak Shamir in conversation with U.S. Secretary of labor William Brock at his office in Jerusalem.



(Connecticut, New York, Pennsylvania, Ohio, Maryland, Oklahoma, Delaware, Georgia, New Mexico, and Florida) maintain offices in Israel, although some others are looking at re-establishing their operations here.

And as for bilateral trade between Israel and the United States? In 2007, this was over \$30 billion, a far cry from the low level of activity that was the rule before the implementation of the free-trade agreement.

In short, as Brock tells it, this was “a signal achievement of the Reagan administration” that reflects the view that people who do business with each other should do more business together. The entire experience was one of “experiencing the joy of dealing with people who have shared values and dreams.”

As for the future, U.S. companies have been losing market share in Israel over the last several years, at least in part because the FTA does not provide the high level of discipline that more recent FTAs do in areas such as technical standards and intellectual property rights protection that are important to U.S. companies. Standards and conformity assessment procedures have become prominent non-tariff barriers limiting U.S. exporters’ access to the Israeli market. Israeli legislation allows for the adoption of multiple international standards, and the United States has encouraged Israel to consider all international standards when developing its mandatory regulations. In addition, imported products are often subject to rigorous testing not imposed on locally produced products. The combination of standard and conformity assessment requirements creates an excessive burden for small- and medium-sized U.S. businesses that are already exporting to Israel or are interested in exporting to Israel. ♦

*Regarding the points raised in the final paragraph of Mr. Pomerantz’ article, the following is a comment from the Israel Commercial Mission in Washington DC:*

*With \$33.8 billion in bilateral trade between the U.S. and Israel, the relationship is robust and expanding. Moreover, in 2007 Israel was the US’s 19th largest export market despite a population of 7.2 million people; ahead of Russia, Ireland, and Argentina.*

*However, as in all commercial relationships, particularly one as diverse and sizeable as the US-Israel relationship, there are*

*some hindrances. However, the US and Israeli governments are committed to fixing these kinks.*

*For example, in 2007 the US and Israeli governments established a Standardization Dialogue, which aims to address the concerns of the private sector regarding standards. The high level of cooperation, mutual respect and progress that was obtained in a short time during the Standardization Dialogue demonstrates that the US-Israel commercial relationship is only going to grow. Moreover, it is a relationship that equipped with the tools to resolve challenges and reach mutually agreeable solutions.*

*The same approach is being implemented in the Intellectual Property Rights area where the Israeli and U.S. governments are engaged in an ongoing dialogue to address the U.S. concerns in this area.*

### THE U.S. - ISRAEL ENERGY COOPERATION ACT (USIECA)

On Wednesday (Dec.19) U.S. President George W. Bush signed the American-Israeli joint energy research bill into law. The bill will fund cooperative research and development efforts by the U.S. and Israel to develop sources of renewable alternative energy. The two countries’ research ventures will focus on solar, biomass, wind, geothermal, wave and tidal energy, as well as advanced battery technology and energy efficiency.

The measure, was a provision of the Energy Independence and Security Act of 2007. With the issues of human-induced climate change and the need to reduce dependence on oil from despotic regimes becoming increasingly prominent, the bill received overwhelming and bi-partisan support. Israel’s Ambassador to the U.S. Sallai Meridor praised the legislation and its potential impact. “Alternative energy is an important issue on America’s agenda, both in terms of national security and the effort to fight global warming. This legislation recognizes Israel’s strong scientific capabilities in developing renewable energy and calls for enhanced cooperation between the U.S. and Israel on this issue.”

### SHERWIN POMERANTZ

Sherwin Pomerantz, a 24-year resident of Israel, is President of Atid EDI Ltd., a Jerusalem-based economic development consulting firm that, in addition to other activities, represents the regional trade and investment interests of six U.S. states including Delaware, Georgia, Illinois, New Mexico, Oklahoma and Pennsylvania. He is also a former National President of the Association of Americans & Canadians in Israel and is the founder and Chairman of the American State Offices Association.

Thanks to Ohad Cohen, Commercial Attaché and Robert Maron, Trade Officer at the Commercial Mission, Embassy of Israel, Washington, D.C.

### WEB RESOURCES:

Israel and the U.S. (Jewish Virtual Library): [www.jewishvirtuallibrary.org/israel/index.shtml](http://www.jewishvirtuallibrary.org/israel/index.shtml)

Atid-EDI, Ltd.: [www.atid-edi.com](http://www.atid-edi.com)

## Private Sector

American companies such as Motorola, IBM, Microsoft and Intel chose Israel to establish major R&D centers. (See articles in Chapter 7 of this publication).

Remarkably, Israel has more companies listed on the NASDAQ than any country outside North America.

### Regional America-Israel Chambers of Commerce

Several regional America-Israel Chambers of Commerce and other organizations exist to facilitate expansion by Israeli and American companies into each other's markets.

### Specific benefits and services may include:

- Educational programs on doing business with Israel with an emphasis on targeted Israeli sectors consistent with local economic development initiatives- e.g. a focus on biotech; homeland security; telecommunications, water technology or other area where Israel has a competitive and technological advantage.
- Local market surveys and analyses; headquarters services .
- Trade and investment missions from the U.S. to Israel as well as reverse missions from Israel to the U.S.
- Coordination with state and local government agencies to encourage and support pro-Israel trade policies (MOUs, etc.). ♦

#### WEB RESOURCES:

For more detailed information please visit the Association of America-Israel Chambers of Commerce:  
www.israeltrade.org

**BELOW:** The Tel Aviv Stock Exchange (TASE) and NYSE Euronext signed a Memorandum of Understanding (MoU) on June 30th, 2008. The agreement, signed by Duncan L. Niederauer, CEO of NYSE Euronext and Ester Levanon, CEO of TASE, is designed to further cooperation between the two exchanges in various fields, including: promotion of cross listings; co-hosting of professional events; and exchange of information. As part of the signing ceremony, Ms. Levanon together with Senior VP, Ronit Harel Ben-Zeev, representing TASE, opened the day's trade on the New York Stock Exchange.

## Attention Disorder

### *An Israeli Journalist's Probing of the "Special Relations" Between Israel and the U.S.*

Written by **Shmuel Rosner**, *Ha'aretz* Washington Correspondent

Ambassador Gideon Meir, then Deputy Director General for media and public affairs at Israel's Foreign Ministry, came to America in December 2005 with an ambitious mission – some might say an impossible one: re-branding Israel. He was spending some time in Atlanta, Ga., with a group of media professionals working in the various Israeli consulates across North America. He was full of energy and was trying to convey a sense of optimism.

Meir told me a story of his days in Washington, in the late-'70s, as he was attending an event in an embassy of another country. "The hostess told me, 'Look at us, our Prime Minister was here last week for a state visit, and all he got is a three-lines item in one of the pages inside the paper. But you, whenever you have someone coming, you get a front-page headline.' You know what I told her? Take the headline and give me the three lines."

Three years later, achieving his goal seems as distant as it was back then. "This might be a long term strategic problem for Israel," the head of one of the many Washington think tanks told me in a long conversation. When people in North America think of Israel, they usually think of The Conflict – and don't think about what Israel really is: a modern country with cell phones, high tech, science, and good music. "If you are going to get to the point that people only see you through the Israeli-Palestinian conflict," the think tanker said, "It will make you a nuisance, something it's better to forget all about."

But Israel, it seems, didn't become a nuisance. Not yet. And anyway, I never quite believed that Israel wanted those "three lines" inside the paper.

Well, it did – and it didn't. Israelis were confronted with a dilemma: on the one hand, worrying that too much attention might be a cause for American exhaustion with this never-ending-Israel-business – but also craving the attention, the concern, the readiness to make the protection and support of Israel a symbol of American values.

So yes – Israelis were attentive and appreciative of the constant



reminders that loving Israel is a litmus test for any American politician, that barely can a presidential debate go by without the mentioning of this tiny country in a distant region. Covering the 2008 race to the White House, I once wrote after such a Republican debate that Israel was mentioned “too much, too soon. Israel gains nothing by being mentioned constantly in this race.” “Israel” was mentioned in that debate 18 times, as compared to only one mention for a giant like Russia, and only three for a great power like China.

Two months after Meir went back to Israel, a Gallup poll testing Americans’ attitudes toward Israel was released, prompting me to write a story headlined “Americans just loooove Israel.” In 2008, the numbers haven’t changed much: surveys asking Americans to identify favorable countries listed Israel at the top, along with countries like England, Canada and Japan.

What is it about Americans – or about Israel – that makes these “relations” tick? How long will it last? And how will it change in the future? After following American politics and policy for the last two decades – and more intensely during the last three years as Chief U.S. correspondent for the Israeli daily Ha’aretz – I came back to these nagging questions of the “special relations” between America and Israel many times. And once in a while I still wonder if anyone really gets it right. When Ehud Olmert was visiting Washington for the first time as Prime Minister of Israel – following the physical collapse of Prime Minister Ariel Sharon and the election that propelled him to this most daunting of all positions – President George W. Bush chose to host him on the Truman porch, in the residential wing of the White House.

Harry Truman, who ended his presidential career with a very low approval rating that must remind Bush of his present situation, was a stubborn president. He insisted on building this porch in spite of the opposition and the public uproar aroused by the damage to the architecture of the presidential residence, and the expenditure of public funds – just as he insisted on recognizing the State of Israel in spite of the strenuous opposition of his foreign policy experts. At this same first visit, meeting with Jewish legislators, Olmert was already bragging: President Bush sat with the President of China for just one hour, and with me he sat for six, he told them. That is not the way for a Prime Minister to talk had he been sincere about wanting his country to fly under the radar of public attention. And no, Olmert said, he didn’t think it’s personal, but “because of

the relations between Israel and the United States.” And he also said, in a kind of sudden outburst of sarcastic Sharon-like sense of humor, “It’s really not bad to be in a friendly parliament.”

But the relations between the countries go way beyond the White House and Capitol Hill. It’s reflective of the still pervasive perception, which is shared by broad segments in the American public, that there is a basic similarity – if not total identity – in core cultural values, the historical legacy and ethos, social composition, ideological beliefs and vision of the future, between the two societies. Right or wrong – this drives some people crazy. And in recent years those people renewed their attacks on these perceptions, as they were trying to argue that the “relations” harm the United States – or Israel – or both.

This was the contention made with so much attendant publicity in the controversial book by Professors Stephen Walt and John Mearsheimer, “The Israel Lobby and U.S. Foreign Policy”. But they were not alone, and their poorly researched book will not be the last to make this argument. Essentially, it is this: the United States supports Israel because of the influence of a powerful lobby. The lobby is mostly Jewish, but is also helped by evangelical Christians. The lobby is so influential as to be able to curb American interests for the sake of Israel’s.

It was former U.S. president Ronald Reagan who was the first to refer to Israel as a “strategic asset.” And it was his Secretary of State, George Shultz – responding to Walt and Mearsheimer – who defined their conceptual mistake most accurately. “The United States supports Israel, not because of favoritism based on political pressure or influence, but because both political parties and virtually all our national leaders agree with the American people’s view that supporting Israel is politically sound and morally just.”

That is why the Israel lobby is so powerful. It is because, at least for now, it consists of 70 or so percent of the American public. And for the “special relations” to last, it has to continue like that. It has to be the relations between people, not just political establishments and leaders. The American people’s perception of Israel as a country in danger, and as a moral cause, is at the core of this concern and support – which makes the re-branding of Israel a tricky business. That’s why, until peace comes to the Middle East, Page 1 is still preferable in many ways to three lines inside the paper. ♦

## SHMUEL ROSNER

When Mr. Rosner wrote this article, he was Chief U.S. correspondent for Ha’aretz, based in Washington, D.C. He is now writing his column “Rosner’s Domain” for the Jerusalem Post.

### WEB RESOURCES:

The New Israel and the Old: “Why Gentile Americans Back the Jewish State” by Walter Russell Mead from Foreign Affairs, July/August, 2008: [www.foreignaffairs.org/](http://www.foreignaffairs.org/)