

# The Staggering Cost of Israel to Americans

## An If Americans Knew Report

The US has given more aid to Israel than it has to all the countries of sub-Saharan Africa, Latin America, and the Caribbean combined—which have a total population of over a billion people.

Surprisingly this aid does not serve American economic, strategic, or moral interests. Instead, the costs are tremendous – in dollars, jobs, lives, and moral standing – and the benefits are largely nonexistent. Given these costs, it is critical to reconsider our lavish aid to Israel, and whether it is worth Americans' hard-earned tax dollars.

### Israel's Economy Doing Better than U.S. Economy

	Israel	United States
<b>Population</b>	7.7 million	316.7 million
<b>Health Insurance</b>	Universal Coverage	49 million uninsured
<b>Unemployment Rate</b>	6.3%	8.2%
<b>Life Expectancy</b>	18th in world	51st in world
<b>Maternal Mortality Rate*</b>	7 deaths	21 deaths
<b>GDP Growth Rate**</b>	4.4%	2.1%
<b>Budget Deficit</b>	3.8% of GDP	7.6% of GDP
<b>Account Balance</b>	146th in world	193rd in world

\* Per 100,000 live births

\*\* 2009-2012, average

Source: *CIA World Factbook*  
March 2013

***Direct US disbursements to Israel are higher than to any other country, even though Israelis only make up 0.1% of the world's population. On average, Israelis receive 7,000 times more US foreign aid per capita than other people throughout the world, despite the fact that Israel is one of the world's more affluent nations.***

IF AMERICANS KNEW

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*This If Americans Knew Report updates the groundbreaking research of retired Foreign Service Officer Richard Curtiss in his 1998 analysis, "The Cost of Israel to U.S. Taxpayers." Updated, researched, and written by Pamela Olson.*



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## **If Americans Knew Mission Statement**

This *If Americans Knew* report updates the groundbreaking work by Richard Curtiss. His 1998 analysis, "The Cost of Israel to Americans," was originally published in the *Washington Report on Middle East Affairs*.

**Richard Curtiss**, following military service in World War II, served for 30 years as a career Foreign Service Officer. He received the U.S. Information Agency's Superior Honor Award and the Edward R. Murrow award for excellence in Public Diplomacy, USIA's highest professional recognition. Upon retirement, Mr. Curtiss co-founded the American Educational Trust, which produces the *Washington Report on Middle East Affairs*. He is also the author of two books on U.S.-Middle East relations. A more extensive bio can be read at <http://www.wrmea.com/component/content/article/10960.html>.

**Pamela Olson** was a President's Scholar at Stanford University 1998-2002 with a major in Physics, a minor in Political Science, and 1600 GRE scores. Before coming to IAK, Olson lived and worked in the West Bank; worked as a researcher in Moscow, Siberia, and China; and was a research analyst at the Institute for Defense Analysis. She is the author of *Fast Times in Palestine*, published by Seal Press.

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In a democracy, the ultimate responsibility for a nation's actions rests with its citizens. The top rung of government – the entity with the ultimate power of governance – is the asserted will of the people. Therefore, in any democracy, it is essential that its citizens be fully and accurately informed.

In the United States, currently the most powerful nation on earth, it is even more essential that its citizens receive complete and undistorted information on topics of importance, so that they may wield their extraordinary power with wisdom and intelligence.

Unfortunately, such information is not always forthcoming.

The mission of If Americans Knew is to inform and educate the American public on issues of major significance that are unreported, underreported, or misrepresented in the American media.

It is our belief that when Americans know the facts on a subject, they will, in the final analysis, act in accordance with morality, justice, and the best interests of their nation, and of the world. With insufficient information, or distorted information, they may do the precise opposite.

It is the mission of If Americans Knew to ensure that this does not happen – that the information on which Americans base their actions is complete, accurate, and undistorted by conscious or unconscious bias, by lies of either commission or omission, or by pressures exerted by powerful special interest groups. It is our goal to supply the information essential to those responsible for the actions of the strongest nation on earth – the American people.

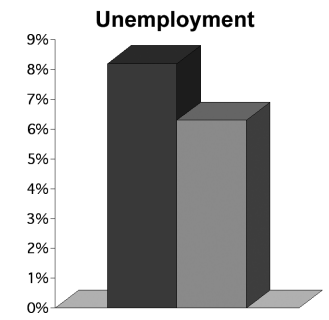
for purposes other than legitimate self-defense. Despite overwhelming evidence of Israeli violations of international law using US-supplied weapons (a few of them outlined in citations above), the US Congress has done little to comply with its own laws against funding these violations.

## The Staggering Cost of Israel to Americans

Israel has a population of approximately 7.7 million, or a million fewer than the state of New Jersey. It is among the world's most affluent nations, with a per capita income similar to that of the European Union.<sup>1</sup> Israel's unemployment rate of 6.3% is much better than America's 8.2%,<sup>2</sup> and Israel's net trade, earnings, and payments is ranked 146<sup>th</sup> in the world while the US sits at a dismal 193<sup>rd</sup>.<sup>3</sup>

Yet, Israel receives more of America's foreign aid budget than any other nation.<sup>4</sup> The US has, in fact, given more aid to Israel than it has to all the countries of sub-Saharan Africa, Latin America, and the Caribbean combined—which have a total population of over a billion people.<sup>5</sup> And foreign aid is just one component of the staggering cost of our relationship with Israel.

Given the tremendous costs, it is critical to examine why we lavish so much aid on Israel, and whether it is worth Americans' hard-earned tax dollars. But first, let's take a look at what our relationship with Israel truly costs.



*Despite serious economic times in the U.S., American taxpayers give Israel \$8.5 million per day.*

### Before the Iraq War in 2003

#### Direct foreign aid

According to the Congressional Research Service, the amount of official US aid to Israel since its founding in 1948 tops \$115 billion, and in the past few decades it has been on the order of \$3 billion per year.<sup>6</sup> (In 2013, for example, this amounts to over \$8.5 million every single day.)

But this money is only part of the story. For one thing, Israel gets all of its

aid money at the start of each year, rather than in quarterly installments like other countries.<sup>7</sup> This is significant: It means that Israel can start earning interest on the money right away – interest paid by the US since Israel invests these funds in US Treasury notes. In addition, because the US government operates at a deficit, it must borrow money in order to give it to Israel and then pay interest on it all year. Together these cost US taxpayers more than \$100 million every year.

**“Because the US government operates at a deficit, it must borrow money in order to give it to Israel and then pay interest on it all year.”**

Israel is also the only recipient of US military aid that is allowed to use a significant portion annually to purchase products made by Israeli companies instead of US companies. (The costs to Americans caused by this unique perk are discussed below.)

In addition, the US gives roughly \$1.6 billion per year to Egypt and Jordan in aid packages arranged largely in exchange for peace treaties with Israel. The treaties don't include justice for Palestinians, and are therefore deeply unpopular with the local populations.<sup>8</sup>

On top of this, the US promises more than \$400 million to the Palestinian Authority each year,<sup>9</sup> much of it used to rebuild infrastructure destroyed by Israel and to bolster an economy stifled by the Israeli occupation.<sup>10</sup> This would be unnecessary if Israel were to end the occupation and allow the Palestinians to build a functioning and self-sustaining economy.

Yet, there's still much more to the story, because parts of US aid to Israel are buried in the budgets of various US agencies, mostly the Department of Defense. For example, since at least 2006, the American Defense budget has included between \$130 and \$235 million per year for missile defense programs in Israel.<sup>11</sup>

In all, direct US disbursements to Israel are higher than to any other country, even though Israelis only make up 0.1% of the world's population. On average, Israelis receive 7,000 times more US foreign aid per capita than other people throughout the world, despite the fact that Israel is one of the world's more affluent nations.<sup>12</sup> And that number rises significantly when one considers disbursements to Egypt, Jordan, and the Palestinian Authority and Defense spending on behalf of Israel.

- 45 Nathan Guttman, “AIPAC Gets Down and Dirty in Pushback vs. Defamation Suit,” *The Forward*, November 16, 2010. <http://forward.com/articles/133172/aipac-gets-down-and-dirty-in-pushback-vs-defamatio>
- 46 Jeff Stein, “Ex-AIPAC official got at least \$670,000 from donors,” *Washington Post*, November 19, 2012. <http://voices.washingtonpost.com/spy-talk/2010/11/ex-aipac-official-got-670000-from-private-donors.html>
- 47 The findings of the Independent Commission of Inquiry into the Israeli Attack on the *USS Liberty*, the Recall of Military Rescue Support Aircraft while the Ship was Under Attack, and the Subsequent Cover-up by the United States Government can be read at [http://ifamericansknew.org/us\\_ints/ul-commfindings.html](http://ifamericansknew.org/us_ints/ul-commfindings.html)
- 48 Jeremy Sharp, “US foreign aid to Israel,” *Congressional Research Service*, March 12, 2012. <http://www.fas.org/sgp/crs/mideast/RL33222.pdf>
- 49 Jeremy R. Hammond, “Rogue State: Israeli Violations of U.N. Security Council Resolutions,” *Foreign Policy Journal*, January 27, 2010. <http://www.foreignpolicyjournal.com/2010/01/27/rogue-state-israeli-violations-of-u-n-security-council-resolutions>
- 50 For a small sampling of Israeli human rights violations, see Amnesty International's “Annual Report: Israel and the Occupied Palestinian Territories 2011” <http://www.amnestyusa.org/research/reports/annual-report-israel-and-the-occupied-palestinian-territories-2011>, Human Rights Watch's most recent reports <http://www.hrw.org/by-issue/publications/228>, and the publications of B'Tselem (the Israeli Information Center for Human Rights in the Occupied Territories) <http://www.btselem.org/publications>
- 51 See, for example, “Frequently Asked Questions,” The Israeli Committee Against House Demolitions. [http://www.icahd.org/?page\\_id=313](http://www.icahd.org/?page_id=313) And Rory McCarthy, “ Hamas offers \$52m handouts to help hardest-hit Gazans,” *The Guardian*, January 25, 2009. <http://www.guardian.co.uk/world/2009/jan/26/hamas-payout-gaza-infrastructure>
- 52 “Israeli Settlements on Palestinian Land,” *If Americans Knew*, May 2002. <http://www.ifamericansknew.org/stats/settlements.html>
- 53 The Arms Export Control Act prohibits the use of US military assistance

Council for the National Interest to try to counter this.

- 38 Jeffrey Birnbaum, "Washington's Power 25: which pressure groups are best at manipulating the laws we live by?" *CNN Money*, December 8, 1997.  
[http://money.cnn.com/magazines/fortune/fortune\\_archive/1997/12/08/234927/index.htm](http://money.cnn.com/magazines/fortune/fortune_archive/1997/12/08/234927/index.htm) Other top contenders include the American Association of Retired Persons, with over 40 million members, and the National Rifle Association.
- 39 "Introduction to the Israel lobby," *Council for the National Interest*, August 19, 2011. <http://www.councilforthenationalinterest.org/israellobby>
- 40 Michael Lerner, "The Israel Lobby," *Tikkun Magazine*, September/October 2007. <http://www.tikkun.org/article.php/Lerner-the-israel-lobby>
- 41 Jeremy Sharp, "US foreign aid to Israel," *Congressional Research Service*, March 12, 2012. <http://www.fas.org/sgp/crs/mideast/RL33222.pdf>
- 42 Max Fisher, "Should U.S. Veto UN Measure Condemning Israeli Settlements?" *The Atlantic Wire*, January 20, 2011. <http://www.theatlanticwire.com/global/2011/01/should-u-s-veto-un-measure-condemning-israeli-settlements/21438>
- 43 "Even if Democrats and Republicans bicker on every other issue, AIPAC leaders seemed constantly eager to stress that one thing on which the parties can come together is unswerving devotion to Israel." Gregory Levey, "Inside America's powerful Israel lobby," *Salon*, March 16, 2007. <http://www.salon.com/2007/03/16/aipac>
- Just recently has there been some high-level pushback against AIPAC's hegemonic power in Washington. See, for example: Robert Dreyfuss, "AIPAC: Still the chosen one?" *Mother Jones*, September/October 2009. <http://motherjones.com/politics/2009/09/aipac-still-chosen-one>
- And: Alex Kane, "Sunlight on the lobby: AIPAC's push for war exposed in 'Atlantic' magazine blog," *Mondoweiss*, February 24, 2012. <http://mondoweiss.net/2012/02/sunlight-on-the-lobby-aipacs-push-for-war-exposed-in-atlantic-magazine-blog.html>
- 44 Wikipedia, "Steven J. Rosen."  
[http://en.wikipedia.org/wiki/Steve\\_J.\\_Rosen#The\\_indictment\\_of\\_Rosen\\_and\\_Weissman](http://en.wikipedia.org/wiki/Steve_J._Rosen#The_indictment_of_Rosen_and_Weissman)

### Additional Ad hoc support for Israel

Dr. Thomas Stauffer, a Harvard economist and Middle East studies professor who twice served in the Executive Office of the President, wrote a comprehensive report about all components of the relationship with Israel's cost to American taxpayers for the *Washington Report on Middle East Affairs* in 2003. He wrote:

"Another element is ad hoc support for Israel, which is not part of the formal foreign aid programs. No comprehensive compilation of U.S. support for Israel has been publicly released. Additional known items include loan guarantees... special contracts for Israeli firms, legal and illegal<sup>13</sup> transfers of marketable U.S. military technology, de facto exemption from U.S. trade protection provisions, and discounted sales or free transfers of 'surplus' U.S. military equipment. An unquantifiable element is the trade and other aid given to Romania and Russia to facilitate Jewish migration to Israel; this has accumulated to many billions of dollars."<sup>14</sup>

***"The irony, experts say, is that tens of billions of U.S. tax dollars and transfers of American military technology helped create and nurture Israel's industry, in effect subsidizing a foreign competitor."***

Israel has often used its privileged access to U.S. military technology against both the U.S. government and U.S. corporate interests. According to the *Associated Press* in 2002, "In France, Turkey, The Netherlands and Finland, Israeli companies have edged such U.S. firms as Raytheon, Northrop Grumman and General Atomics out of arms deals worth hundreds of millions of dollars in recent years. The irony, experts say, is that tens of billions of U.S. tax dollars and transfers of American military technology helped create and nurture Israel's industry, in effect subsidizing a foreign competitor."

The *AP* article quoted a vice president at the Aerospace Industries Association of America, who bluntly said, "We give them money to build stuff for themselves and the U.S. taxpayer gets nothing in return."<sup>15</sup>

Meanwhile, according to the *Christian Science Monitor*, Israel has also "blocked some major U.S. arms sales, such as F-15 fighter aircraft to Saudi Arabia in the mid-1980s. That cost \$40 billion over 10 years."<sup>16</sup>

Even worse, Israeli weapons "buttress the arsenals of nations such as China that the United States considers strategic competitors, alarming U.S. military planners," the *Associated Press* article went on to report. "[In 2001]

U.S. surveillance planes flying along China's coast were threatened by Chinese fighter jets armed with Israeli missiles... Had Chinese fighter pilots been given the order to fire, they could have brought down the U.S. planes with Israeli Python III missiles... U.S. defense chiefs say Israel sold China the missiles without informing the United States."<sup>17</sup>

### Lost jobs, trade, and standing

One of the most devastating indirect costs of the U.S. relationship with Israel was the Arab oil boycott of 1973. The Arab states imposed the

**“The 9/11 Commission reported that 9/11 plotter Khalid Sheikh Mohammed’s ‘animus toward the United States stemmed not from his experiences there as a student, but rather from his violent disagreement with US foreign policy favoring Israel.’”**

boycott in protest of U.S. support of Israel during the 1973 war, in which Arab countries attacked Israel to try to reclaim lands Israel had invaded and occupied in 1967.

“Washington’s intervention triggered the Arab oil embargo which cost the U.S. doubly: first, due to the oil shortfall, the U.S. lost about \$300 billion to \$600 billion in GDP; and, second, the U.S. was saddled with another \$450 billion in higher oil import costs,” wrote Stauffer in the *Washington Report on Middle East Affairs*.<sup>18</sup>

Then there’s the cost in lost jobs. “U.S. policy and trade sanctions reduce U.S. exports to

the Middle East about \$5 billion a year, costing 70,000 or so American jobs,” Stauffer estimates. “Not requiring Israel to use its U.S. aid to buy American goods, as is usual in foreign aid, costs another 125,000 jobs.”<sup>19</sup>

But perhaps the most damaging cost to the U.S. has been its loss of standing in the Arab and Muslim worlds, where U.S. largesse towards Israel as it commits human rights violations<sup>20</sup> provokes deep resentment. “To many of the world’s Muslims, it places the U.S. taxpayer on the Israeli side of its conflicts with Arabs,” observed the *Associated Press* article.<sup>21</sup>

According to Harvard professor Stephen Walt, “The 9/11 Commission reported that 9/11 plotter Khalid Sheikh Mohammed’s ‘animus toward the United States stemmed not from his experiences there as a student, but rather from his violent disagreement with U.S. foreign policy favoring Israel.’ Other anti-American terrorists—such as Ramzi Yousef, who led the 1993 bombing of the World Trade Center—have offered similar explanations for their anger toward the United States.”<sup>22</sup>

ulators\_are\_right\_a\_war\_with\_iran\_would\_devastate\_the\_economy\_.html

32 See, for example: Mark Landler, “Obama Presses Netanyahu to Resist Strikes on Iran,” *New York Times*, March 5, 2012.

[www.nytimes.com/2012/03/06/world/middleeast/obama-cites-window-for-diplomacy-on-iran-bomb.html](http://www.nytimes.com/2012/03/06/world/middleeast/obama-cites-window-for-diplomacy-on-iran-bomb.html)

And: “Biden condemns new Israeli settlement plan,” *USA Today*, March 9, 2010. [http://www.usatoday.com/news/world/2010-03-09-Israel\\_N.htm](http://www.usatoday.com/news/world/2010-03-09-Israel_N.htm)

33 Andrew Sullivan, “Why Continue to Build the Settlements?” *The Daily Beast*, March 30, 2012.

<http://andrewsullivan.thedailybeast.com/2012/03/why-beinart-matters.html> Excerpt: “The deliberate population of occupied lands violates the Geneva Conventions. The occupation itself enrages the Arab and Muslim world and creates a huge drag on the US’s strategic need to build up allies among emerging Arab democracies, and defuse Jihadism across the globe.”

See also: Philip Weiss, “Former State Department official says Obama calls for human rights and democracy are ‘undercut’ by position on Palestinians,” *Mondoweiss*, April 2, 2012.

<http://mondoweiss.net/2012/04/former-state-dept-official-says-obama-calls-for-human-rights-and-democracy-are-undercut-by-position-on-palestinians.html>

34 Jim Krane, “U.S. Aid to Israel Subsidizes a Potent Weapons Exporter,” *Associated Press*, June 20, 2002. [http://ifamericansknew.org/us\\_ints/p-krane.html](http://ifamericansknew.org/us_ints/p-krane.html)

35 John Mearsheimer and Stephen Walt, “The Israel Lobby,” *London Review of Books*, March 23, 2006. <http://www.lrb.co.uk/v28/n06/john-mearsheimer/the-israel-lobby>

36 John Mearsheimer and Stephen Walt, *The Israel Lobby and US Foreign Policy*, Farrar, Straus and Giroux, August 2007.

37 John Mearsheimer and Stephen Walt, “The Israel Lobby,” *London Review of Books*, March 23, 2006. <http://www.lrb.co.uk/v28/n06/john-mearsheimer/the-israel-lobby> An earlier book by former Congressman Paul Findley, *They Dare to Speak Out: People and Institutions Confront Israel’s Lobby*, first exposed this in 1985. Findley and others founded the

- Center for Human Rights in the Occupied Territories) <http://www.btselem.org/publications>
- 21 Jim Krane, "U.S. Aid to Israel Subsidizes a Potent Weapons Exporter," *Associated Press*, June 20, 2002. [http://ifamericansknew.org/us\\_ints/p-krane.html](http://ifamericansknew.org/us_ints/p-krane.html)
- 22 Stephen Walt, "Whiff of Desperation," *Foreign Policy*, April 25, 2011. [http://www.foreignpolicy.com/articles/2011/04/25/whiff\\_of\\_desperation?page=full](http://www.foreignpolicy.com/articles/2011/04/25/whiff_of_desperation?page=full)
- 23 David Francis, "Economist tallies swelling cost of Israel to US," *Christian Science Monitor*, December 9, 2002. <http://www.csmonitor.com/2002/1209/p16s01-wmgn.html>
- 24 Shirl McArthur, "A conservative estimate of total direct US aid to Israel: almost \$114 billion," *Washington Report on Middle East Affairs*, November 2008. <http://ifamericansknew.org/stats/114bill.html>
- 25 Natasha Mozgovaya, "Obama signs bill that includes added U.S. military assistance to Israel," *Haaretz*, December 24, 2011. <http://www.haaretz.com/blogs/focus-u-s-a/obama-signs-bill-that-includes-added-u-s-military-assistance-to-israel-1.403268>
- 26 "U.S. eyes funding boost for Israel's 'Iron Dome' shield," *Reuters*, May 17, 2012. <http://www.reuters.com/article/2012/05/18/us-usa-israel-irondome-idUSBRE84G10P20120518>
- 27 John Mearsheimer and Stephen Walt, "The Israel Lobby," *London Review of Books*, March 23, 2006. <http://www.lrb.co.uk/v28/n06/john-mearsheimer/the-israel-lobby> See also: Stephen J. Sniegoski, "The Transparent Cabal: The Neoconservative Agenda, War in the Middle East, and the National Interest of Israel," *Ihs Press*, September 1, 2008.
- 28 Shirl McArthur, "A conservative estimate of total direct US aid to Israel: almost \$114 billion," *Washington Report on Middle East Affairs*, November 2008. <http://ifamericansknew.org/stats/114bill.html>
- 29 Joseph Stiglitz and Linda Bilmes, "The true cost of the Iraq war: \$3 trillion and beyond," *Washington Post*, September 5, 2010. <http://www.washingtonpost.com/wp-dyn/content/article/2010/09/03/AR2010090302200.html>
- 30 See articles at <http://www.councilforthenationalinterest.org/costs/iran>
- 31 Matthew Yglesias, "War for No Oil," *Slate*, March 7, 2012. [http://www.slate.com/articles/business/moneybox/2012/03/oil\\_spec](http://www.slate.com/articles/business/moneybox/2012/03/oil_spec)

There are many more potential categories of costs that are even more difficult to quantify. All in all, Stauffer estimates that Israel cost the U.S. about \$1.6 trillion between 1973 and 2003 alone—more than twice the cost of the Vietnam war.<sup>23</sup>

#### Costs since Stauffer's study in 2003

Israel's cost to American taxpayers has remained high since Stauffer's 2003 study. The U.S. currently gives Israel an average of \$3 billion a year in military aid, under an agreement signed by the Bush administration to transfer \$30 billion to Israel over ten years, starting in 2009.<sup>24</sup>

All of the other extras and costs remain and in some cases have increased since 2003. For example, "Despite a tough economic climate and expected U.S. budget cuts—including drastic cuts to the U.S. military budget—U.S. lawmakers will provide \$236 million in fiscal 2012 for the Israeli development of three missile defense programs," reported Israeli newspaper *Haaretz*.<sup>25</sup>

**“Despite a tough economic climate and expected US budget cuts—including drastic cuts to the US military budget—US lawmakers will provide \$236 million in fiscal 2012 for the Israeli development of three missile defense programs.”**

In addition, the U.S. government "has provided \$205 million to support the Iron Dome, manufactured by Israel's state-owned Raphael Advanced Defense Systems Ltd. The system uses small radar-guided missiles to blow up in midair Katyusha-style rockets with ranges of 3 miles to 45 miles, as well as mortar bombs... Legislation moving through the Republican-controlled U.S. House of Representatives would give Israel additional \$680 million for the Iron Dome system through 2015."<sup>26</sup>

And if, as many experts believe, the U.S. would not have invaded Iraq without intense and sustained pressure from Washington insiders who advocate actively on behalf of Israel,<sup>27</sup> this adds yet another dimension of staggering cost to the equation: "hundreds of billions of dollars, 4,000-plus U.S. and allied fatalities, untold tens of thousands of Iraqi deaths, and many thousands of other U.S., allied, and Iraqi casualties," according to retired U.S. foreign service officer Shirl McArthur.<sup>28</sup>

Nobel Prize-winning economist Joseph Stiglitz and Harvard professor Linda Bilmes put the cost of the Iraq War at over \$3 trillion, and incalculably

more if you take into account the opportunity costs of the resources spent on this unproductive war. For example, higher oil prices due to the war have had a devastating impact on America's economy, and so have the surging federal debt and the servicing of that debt. Without the war, the 2008 financial crisis almost certainly would not have been as severe, and the Afghanistan war most likely would have been shorter, cheaper, and more effective.<sup>29</sup>

The Israel lobby and partisans are currently gunning for a war with Iran with the same zeal they showed in the run-up to the 2003 invasion of Iraq.<sup>30</sup> By all estimates, the costs of a war with Iran will be much higher than the Iraq war. In addition to the loss of life, analysts predict, for example, that if Iran's oil production were taken out of the world market, gas prices would rise 25-70 percent.

**“Why has the US been willing to set aside its own security and that of many of its allies in order to advance the interests of another state?”**

If the Straits of Hormuz (straits adjacent to Iran through which 20% of the world's oil production passes on a daily basis) were attacked or blockaded, the cost of oil would skyrocket to a level never seen before, and the economic recession or depression that followed would be nothing short of “apocalyptic,” according to Matthew Yglesias writing for *Slate*.<sup>31</sup>

### Reasons and Consequences

So now we are back to the question of why America continues to pour money into a state that commits daily human rights violations, defies U.S. strategic interests,<sup>32</sup> provokes rage and resentment among billions of people,<sup>33</sup> competes with and crowds out U.S. interests using technology subsidized by U.S. taxpayers, and sells America's military secrets to its enemies.<sup>34</sup>

The answer is simple and summed up well by professors Stephen Walt and John Mearsheimer in their ground-breaking article in the *London Review of Books*, “The Israel Lobby,”<sup>35</sup> and their book *The Israel Lobby and US Foreign Policy*.<sup>36</sup>

“Why has the U.S. been willing to set aside its own security and that of many of its allies in order to advance the interests of another state?” the article asks. “One might assume that the bond between the two countries was based on shared strategic interests or compelling moral imperatives, but neither explanation can account for the remarkable level of material and diplomatic support that the U.S. provides.

Stauffer's original paper, prepared for the conference: “The United States and the Arab World: Challenges and Opportunities” at the William S. Cohen Center for International Policy, University of Maine, and the US Army War College in October 2002, is posted here: <http://www.solargeneral.com/library/cost-of-us-middle-east-policy-an-economic-overview-dr-thomas-r-stauffer.pdf> (PDF) and here: <http://www.scribd.com/Abegael88/d/88696279-Cost-of-Us-Middle-East-Policy-an-Economic-Overview-Dr-Thomas-r-Stauffer>

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- 16 David Francis, “Economist tallies swelling cost of Israel to US,” *Christian Science Monitor*, December 9, 2002. <http://www.csmonitor.com/2002/1209/p16s01-wmgn.html>
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- 18 Thomas Stauffer, “The Costs to American Taxpayers of the Israeli-Palestinian Conflict: \$3 Trillion,” *Washington Report on Middle East Affairs*, June 2003. <http://ifamericansknew.org/stats/stauffer.html>  
Stauffer's original paper, prepared for the conference: “The United States and the Arab World: Challenges and Opportunities” at the William S. Cohen Center for International Policy, University of Maine, and the US Army War College in October 2002, is posted here: <http://www.solargeneral.com/library/cost-of-us-middle-east-policy-an-economic-overview-dr-thomas-r-stauffer.pdf> (PDF) and here: <http://www.scribd.com/Abegael88/d/88696279-Cost-of-Us-Middle-East-Policy-an-Economic-Overview-Dr-Thomas-r-Stauffer>
- 19 David Francis, “Economist tallies swelling cost of Israel to US,” *Christian Science Monitor*, December 9, 2002. <http://www.csmonitor.com/2002/1209/p16s01-wmgn.html>
- 20 For a small sampling of Israeli human rights violations, see Amnesty International's “Annual Report: Israel and the Occupied Palestinian Territories 2011” <http://www.amnestyusa.org/research/reports/annual-report-israel-and-the-occupied-palestinian-territories-2011>, Human Rights Watch's most recent reports <http://www.hrw.org/by-issue/publications/228>, and the publications of B'Tselem (the Israeli Information



from the report: “Ultimately, in order for the Palestinian Authority to sustain the reform momentum and its achievements in institution-building, remaining Israeli restrictions must be lifted.”

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<http://www.csmonitor.com/World/Backchannels/2011/0914/Amid-Palestinian-statehood-push-a-grim-World-Bank-report-on-the-West-Bank-Gaza> Quote from the article: “The World Bank says that recent economic growth in Gaza and the West Bank has been almost entirely thanks to foreign aid, that a slowing of foreign aid delivery has presented the PA with a possible fiscal crisis, and that Israeli policies continue to stand in the way of sustainable economic improvement in the territories.”

- 11 Jeremy Sharp, “US foreign aid to Israel,” *Congressional Research Service*, March 12, 2012. <http://www.fas.org/sgp/crs/mideast/RL33222.pdf> For the 2012 budget of \$235 million, see John T. Bennett, “U.S., Israeli Military Cooperation Remains Strong,” *US News and World Report*, March 2, 2012. <http://www.usnews.com/news/articles/2012/03/02/us-israeli-military-cooperation-remains-strong>
- 12 US Department of State, “State and USAID - FY 2013 Budget,” February 13, 2012. <http://www.state.gov/r/pa/prs/ps/2012/02/183808.htm>
- 13 ‘Illegal transfers’ refers to several instances in which Israel has been accused of violating the Arms Export Control Act, which prohibits the use of US military assistance for purposes other than legitimate self-defense. For example, during Israel’s invasions of Lebanon in 1982 and 2006, the Israeli air force dumped tens of thousands of cluster bomblets over wide civilian areas, resulting in horrific and long-lasting civilian casualties with dubious military utility. That’s not even to begin to touch on daily Israeli violations of human rights in the Palestinian territories. Despite overwhelming evidence of Israeli violations of international law using US-supplied weapons, the US Congress has done little to comply with its own laws against funding such violations.
- 14 Thomas Stauffer, “The Costs to American Taxpayers of the Israeli-Palestinian Conflict: \$3 Trillion,” *Washington Report on Middle East Affairs*, June 2003. <http://ifamericansknew.org/stats/stauffer.html>

“Instead, the thrust of U.S. policy in the region derives almost entirely from domestic politics, and especially the activities of the ‘Israel Lobby.’ Other special-interest groups have managed to skew foreign policy, but no lobby has managed to divert it as far from what the national interest would suggest, while simultaneously convincing Americans that U.S. interests and those of the other country—in this case, Israel—are essentially identical.”<sup>37</sup>

AIPAC, the American Israel Public Affairs Committee, is consistently ranked in the top two most powerful lobbies in Washington.<sup>38</sup> And it is only one arm of the much larger, multi-faceted, and well-financed Israel lobby.<sup>39</sup>

According to Congressman Jim Moran, “AIPAC is very well organized. The members are willing to be very generous with their personal wealth. But it’s a two edged sword. If you cross AIPAC, AIPAC is unforgiving and will destroy you politically. Their means of communications, their ties to certain newspapers and magazines, and individuals in the media are substantial and intimidating. Every [Congress] member knows it’s the best-organized national lobbying force.”<sup>40</sup>

Senator Joseph Lieberman proudly stated, “Any attempt to pressure Israel, to force Israel to the negotiating table by denying Israel support, will not pass in Congress... Congress will act against any attempt to do that.”<sup>41</sup>

It’s true: The U.S. Congress, along with the executive branch, overwhelmingly support virtually any action or wish of the Israeli government, no matter how at odds with U.S. national interest or security,<sup>42</sup> primarily because of the power of the Israel lobby.<sup>43</sup>

Even when two AIPAC employees were indicted on espionage charges in 2005, and it was determined that they had obtained classified U.S. government information illegally and passed it to Israeli agents, the charges were quietly dropped on technicalities.<sup>44</sup> AIPAC fired both employees and issued a statement that they were fired because their actions did not comport with AIPAC standards.<sup>45</sup> One of the fired employees, Steven Rosen, filed a lawsuit for defamation, claiming his actions were, in fact, common practice at AIPAC.<sup>46</sup>

When Israel attempted to sink a U.S. Navy ship, the *USS Liberty*, in 1967, killing 34 Americans and injuring over 170, it still failed to put a dent in aid to Israel.<sup>47</sup> Indeed, aid quadrupled the following year.<sup>48</sup>

Though Congressmen receive payments and support from the lobby in exchange for their loyalty, the American taxpayer is left footing the bill. As detailed above, the total cost has run from a bare minimum of \$115 billion since 1948 (the cost of foreign aid alone) to \$1.6 trillion or more, factoring in Defense appropriations, oil crises, the sinking of the *USS Liberty*, the heightened risk of terrorism, lost trade and co-opted technology, and countless other factors. If the Iraq war and the increased risk of a war with Iran are factored in, the cost skyrockets even higher.

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Critics point out how much brighter our future would be if we had invested these billions or trillions in veteran rehabilitation and care, education, job creation, social security, housing, environmental clean-up and prevention, roads, bridges, health care, and scientific and health research. Or if Americans had simply held onto their tax dollars and used them as they saw fit, in our own economy. If some of the higher estimates are closer to the mark, our support for Israel could easily have covered the \$700 billion TARP bailout with a great deal left over for massive stimulus spending and/or tax breaks.

If Israel were using these funds for a good purpose, one could debate whether the price was worth it. But Israel uses most of the money to prolong a 45-year military occupation (which regularly involves gross violations of international law),<sup>49</sup> commit egregious human rights violations,<sup>50</sup> and destroy billions of dollars worth of Palestinian homes and infrastructure<sup>51</sup> (resulting in still more U.S. tax money being sent to Palestinians to rebuild demolished homes, hospitals, and schools), while building illegal, Jewish-only settlements on Palestinian land.<sup>52</sup>

It makes the prospect of peace ever more distant, creates dangerous hostility to the U.S., placing Americans in peril, and puts the U.S. Congress in violation of the Arms Export Control Act,<sup>53</sup> all for the sake of campaign contributions.

There is no good reason to keep throwing good money after bad in a failed, ill-founded policy. It's long past time for a fundamental rethinking of the American government's blank check to Israel.

## Citations and Notes

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