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ISRAELI OIL & GAZ FINDS PORTEND MAJOR GEO-POLITICAL SHIFT AS ARABISM DECLINES & ISLAMISTS TAKE THE MIDDLE EAST

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Israel's Emergence As Energy Superpower Making Waves: [Walter Russell Mead, *American Interest*, July 2, 2012](#)—The ability of the Arab governments to influence political opinion in Europe and the rest of the world is likely to decline as more oil and gas resources appear — and as Israel emerges as an important supplier. We could be heading toward a time when the world just doesn't care all that much what happens around the Persian Gulf. The emerging new energy picture in Israel has the potential to be one of the biggest news developments of the next ten years. Potentially, the energy revolution and the change in Israel's outlook has more geopolitical implications than the Arab Spring.

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LOOKING BEYOND JAN. 22

Gerald M. Steinberg

[Jerusalem Report](#), Dec. 26, 2012

Israel is always seemingly on the verge or in the middle of a crisis and, usually, more than one. In 2012 (and much of 2011), we focused on the life-and-death questions related to a possible military attack to halt Iran's illegal efforts to acquire nuclear weapons.

The debate brought out visible (and probably exaggerated) differences between Jerusalem and Washington, as highlighted in Prime Minister Benjamin Netanyahu's UN speech in September and in the US election campaign. Of late, the dispute has been narrowed and the heat on this issue has been lowered, at least temporarily, but it will return very soon.

As Iran receded temporarily, the perpetual Gaza/Hamas crisis resumed, with escalating rocket attacks on southern Israel, triggering another IDF operation. In this case, there was total harmony between Netanyahu, US President Barack Obama and even most of Europe's fickle political leadership.

But this harmony was very short-lived, and the diplomatic isolation resumed as the United Nations General Assembly endorsed the unilateral Palestinian statehood strategy. The Netanyahu government, in the midst of an election campaign, responded with its own unilateralism, through noisy announcements of plans to increase building around Jerusalem – most notably an area known as E1. This brought the predictable condemnations, including blunt attacks from the Obama Administration and its surrogates in the editorial pages of *The New York Times*. Even Canada, whose government takes a consistent moral and principled position on Israeli issues, felt obliged to criticize this move.

These events reinforced the political isolation of Israel, particularly in Europe, where much of the media, academic community, charities, church groups and others promote the delegitimization of Israel and Jewish national sovereignty....Although European governments officially oppose delegitimization, the campaigns are led by NGOs...and charities receiving taxpayer funds (estimated at 100 million euros annually) via top-secret processes.

The funding frameworks were established to promote human rights, peace, democracy, and humanitarian aid, but have been widely abused, and lack parliamentary and other oversight. All of this activity took place against a backdrop of renewed political turmoil in Egypt, a vicious civil war in Syria, instability in Jordan, and other changes that have altered the regional context in an unrecognizable and unprecedented manner.

The era of hostile but predictable behaviour from the closed and corrupt totalitarian regimes was abruptly ended by what was euphemistically called "the Arab Spring." Instead, Israel is now faced with an entirely unpredictable and chaotic regional environment, including along its immediate borders. Taken together, the potential foreign policy challenges might appear to be overwhelming. At the same time, there are also some new opportunities that might allow the post-election government to navigate through the earthquake zone, and come out on the other side with some distinct improvements in the political and diplomatic environment....

The management of relations between Israel and the United States remains the key to almost everything else, and here, the pundits who have predicted continued and unprecedented friction due to the personal differences between Obama and Netanyahu should be taken with many grains of salt. With so much at stake for both nations, personalities are largely irrelevant. There is good evidence that close cooperation in preventing Iran from acquiring nuclear weapons will increase, despite legitimate differences over details....

Maintaining this coordination is very important, but may be complicated by internal instability in Egypt. As developments unfold, Israel will need to emphasize flexibility and be prepared for many scenarios. As long as Morsi, or subsequent Egyptian leaders, recognize the country's dependence on massive American economic aid, and on stability and tacit cooperation with Israel, Israel should be able to manage this relationship successfully....

Turning to Syria, the end of the Assad regime will be a crushing defeat for Iran, and will also greatly weaken Hezbollah's position in Lebanon. However,...the aftermath is likely to pose numerous threats

to vital interests. Syria might disintegrate into fortified cantons, with the largest led by radical Sunni jihadists. This could lead to increased instability along the Golan Heights, including terror attacks....

Amidst this demanding agenda, immediately after the election and coalition formation, massive pressure will be exerted for resuming the “peace process” (in which the emphasis is often more on process than on peace) with what remains of President Mahmoud Abbas’s Palestinian Authority (or pseudo-state). At least in theory, a more pro-active approach would diminish friction with Europe, the US, and much of the world.

Critics will argue that the sources of the conflict have not changed since November 29, 1947, and any Israeli concessions and “risks for peace” will be the springboard for the next effort to “wipe Israel off the map.” Instead of Gamal Nasser and Yasser Arafat, these objectives are being pursued by Hamas, the Islamic Jihad, and Hezbollah, backed by Iran. Israelis remember the high costs of failure in the Oslo process and the 2005 unilateral withdrawal from Gaza.

Nevertheless, the pressure from the US, echoed by Europe, is very likely to lead to negotiations focusing on a partial construction freeze, and, if the process continues, transfer of some land and removal of settlements. This will require a government with sufficient support necessary to overcome fierce internal opposition.

To justify such moves, Israel will demand that Palestinians really end incitement, and not only pay lip service; halt the political war, including BDS and lawfare campaigns; acknowledge the legitimacy of Israel as the Jewish nation-state and Jerusalem as its capital; and agree that resolution of refugee claims will take place in the negotiated boundaries of any Palestinian state. From the US and Europe, Israel will seek official recognition of the Sharon-Bush parameters, with the “consensus blocs,” including those in and near Jerusalem, and secure borders....

With so many dimensions, Israel’s foreign policy agenda will be taxed to the limit and beyond. Coping with developments on Iran, the complexities of relations with the United States, regional revolutions and counter-revolutions, preventing the rearmament of Hamas, political warfare from Europe, and Palestinian negotiations will result in inevitable crises, each with its own magnitude and complexities. At least, in this sense, some things never change.

ISRAEL HAS NO OTHER ALTERNATIVE BUT THE ALTERNATIVE IT HAS IS A GOOD ONE

Barry Rubin

[Rubin Reports](#), December 10, 2012

The Palestinian leadership, abetted by many Western governments, has now torn up every agreement it made with Israel. Once the efforts of two decades of negotiations—including irrevocable Israeli compromises in giving the Palestinian Authority control over territory, its own armed forces, dismantling settlements, and permitting billions of dollars of foreign aid to the Palestinians—were destroyed, the world has decided to focus the blame on Israel approving the construction of 3000 apartments....

What is shocking is not just that this has happened but there has been no discussion much less hesitation by dozens of countries to destroy an agreement that they hitherto supported. Indeed, a study of the history of this agreement shows clearly that the Palestinian side prevented the accord from succeeding, most obviously by permitting and carrying out continuing terrorism and rejecting Israeli

offers for a Palestinian state with its capital in east Jerusalem both in the 2000 Camp David summit and in the ensuing offer conveyed by President Bill Clinton at the end of that year....

They have rewarded the party that refused to make peace. They have rewarded the side that rejected the offer of a state and pursued violence instead, cheering the murder of Israeli civilians. They have removed the framework on the basis of which Israel made numerous risky concessions including letting hundreds of thousands of Palestinians enter the West Bank and Gaza Strip; establish a government; obtain billions of dollars of money; created military organizations that have been used to attack Israel; establish schools and other institutions which call and teach for Israel's destruction; and a long list of other things.

As a result of these concessions, terrorists were able to strike into Israel. Today, Hamas and its allies can fire thousands of rockets into Israel. Israel has paid for the 1993 deal; the Palestinian Authority has only taken what it has wanted. Abbas Zaki, a member of the Fatah Central Committee, was one of many who stated that the Oslo Accords have now ceased to exist. What then governs the situation and Israel-Palestinian (Palestine?) relations? Nothing. There is, for example, no standing for any claim that the Palestinian side has recognized—much less accepted—Israel's existence. Indeed, a "one-state solution" is daily advocated by Palestinian leaders.

Yet the world's outrage is reserved for Israel's announcement that 3000 apartments will be constructed on land claimed by Israel on the West Bank, all built on settlements whose existence until a bilateral agreement was reached was accepted by the PLO and the Palestinian Authority....

Again, what's important here is not to complain about the unfairness of international life, the hypocrisy of those involved, and the double standards applied against Israel. This is the reality of the situation and must be the starting point for considering what to do....[W]hat's important is to do that which is necessary to preserve Israel's national security and to ignore to the greatest possible extent anything that subverts it.

What has experience taught us? Very simply this: The Palestinian leadership's priority is not on getting a state of their own--they have missed many opportunities to do so--but to gain total victory. No matter how much you might think it is rational for them to seek to have a country living peacefully alongside Israel forever as it develops its economy and culture and resettles refugees out of the camps they do not think so. And that's all that's important....

What has the world's behavior taught us? Very simply this: Nothing we can do will suffice. If Israel were to accept unconditionally a Palestinian state along the 1967 borders with its capital in east Jerusalem, the Palestinian Authority would then demand that all Palestinians who so wished and had an ancestor living there before 1948 must be admitted to Israel with full voting and all other rights. And then what would the UN do?

What has diplomacy taught us? That the other side will not keep commitments and those guaranteeing those commitments will not keep their word to do so. And then they will complain that Israel doesn't take more risks, give more concessions, and defend itself too vigorously. Well, that's the way things are and in some ways they've been like that for decades; from a Jewish standpoint, for centuries. So what else is new?

Of course, all the proper statements will be made and the diplomatic options pursued by Israel. They will not make any difference on the rhetorical dynamics but their point is to limit the material effects. That is not a pessimistic assessment at all. Basically, this process has now been going on for about 40 years. It will continue to go on, partly because the West has been and will continue to be content with

purely symbolic anti-Israel measures so it can reap some public relations' benefits without any costs. The quality of existence is more important than the quality of the ability to justify one's existence....

In the *World Happiness Report*, Israel rated 14th and in health it was in the 6th position, ahead of the United States, Germany, Britain, and France. Living well, as the saying goes, is the best revenge. Meanwhile, Israel's neighbours don't get criticized by the UN—many of them get elected to the Human Rights Council despite their records—but are sinking into violence, disaster, and new dictatorships.

So which fate is preferable? To win the wars forced on you, to develop high living standards, to enjoy real democratic life, or to writhe under the torture of dictators, terrorists, and totalitarian ideologies? Israel's fate includes to be slandered, its actions and society so often distorted by those responsible for conveying accurate information to their own societies. And that also means to be attacked violently by its neighbours, though it can minimize the effectiveness of that violence. Like our ancestors we have to deal with this bizarre situation, this mistreatment that others don't even understand still exists....

Truly, as the Israeli saying puts it and as the story of the Oslo agreement so vividly proves, *ein breira*, there's no choice. Fortunately, the real-life alternative available is a good one. Go ahead; do what's necessary; reconcile everyone possible; but don't let that stand in the way of survival. And, to paraphrase Bob Dylan, Time will tell just who fell and who's been left behind. When you go your way and I go mine.

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ISRAEL'S EMERGENCE AS ENERGY SUPERPOWER MAKING WAVES

Walter Russell Mead

[American Interest](#), July 2, 2012

Israeli Prime Minister Golda Meir famously lamented that Moses led the children of Israel for forty years of wandering in the desert until he found the only place in the Middle East where there wasn't any oil. But could Moses have been smarter than believed?

Apparently the Canadians and the Russians think so, as both countries are moving to step up energy relations with a tiny nation whose total energy reserves some experts now think could rival or even surpass the fabled oil wealth of Saudi Arabia. Actual production is still minuscule, but evidence is accumulating that the Promised Land, from a natural resource point of view, could be an El Dorado: inch for inch the most valuable and energy rich country anywhere in the world. If this turns out to be true, a lot of things are going to change, and some of those changes are already underway. Israel and Canada have just signed an agreement to cooperate on the exploration and development of what, apparently, could be vast shale oil reserves beneath the Jewish state.

The prospect of huge oil reserves in Israel comes on top of the recent news about large natural gas discoveries off the coast that have been increasingly attracting attention and investor interest. The apparent gas riches have also been attracting international trouble. Lebanon disputes the undersea boundary with Israel (an act somewhat complicated by the fact that Lebanon has never actually recognized Israel's existence), and overlapping claims from Turkey and Greece themselves plus both Greek and Turkish authorities on Cyprus further complicate matters. Yet despite these tensions, following Russian President Vladimir Putin's surprisingly cordial visit..., Gazprom and Israel have announced plans to cooperate on gas extraction....

The stakes are not small: the offshore Levantine Basin (which Syria, Lebanon, Turkey, Greece, Cyprus, Israel and even Gaza will all have some claim to) is believed to have 120 trillion cubic feet of

natural gas and “considerable” oil. Drillers working in Israeli waters have already identified what look to be 5 billion barrels of recoverable oil in addition to over a trillion cubic feet of gas. Israel’s undersea gas reserves are currently estimated at about 16 trillion cubic feet and new fields continue to be rapidly found.

The new Israeli-Russian agreement is part of a conscious strategy by the Israeli government to use its nascent energy wealth to improve its embattled political position. With Italy reeling under the impact of big wrong-way bets on Iran, Rome may also begin to appreciate the value of good ties with a closer and more dependable neighbour. Another sensible target for Israeli energy diplomacy would be India: the two countries are already close in a number of ways, including trade and military technology, and India is eager to diversify its energy sources.

Gas is one thing, but potential for huge shale oil reserves under Israel itself, however, is a new twist. According to the World Energy Council, a leading global energy forum with organizations and affiliates in some 93 countries, Israel may have the third largest shale oil reserves in the world: something like 250 billion barrels....If the estimates of Israeli shale oil are correct, Israel’s gas and shale reserves put its total energy reserves in the Saudi class, though Israel’s energy costs more to extract.

Many obstacles exist and in a best case scenario some time must pass before the full consequences of the world’s new energy geography make themselves felt, but if production from the new sources in Israel and elsewhere develops, world politics will change....OPEC’s power to dictate world prices is likely to decline as Canadian, US, Israeli and Chinese resources come on line. In fact, the Gulf’s most powerful oil weapon going forward may be the ability of those countries to under-price rivals; expensive shale oil isn’t going to be very profitable if OPEC steps up production of its cheap stuff.

Nonetheless, the ability of the Arab governments to influence political opinion in Europe and the rest of the world is likely to decline as more oil and gas resources appear — and as Israel emerges as an important supplier. We could be heading toward a time when the world just doesn’t care all that much what happens around the Persian Gulf — as long as nobody gets frisky with the nukes.

Another big loser could be Turkey. For years the Kemalist, secular rulers of Turkey worked closely with Israel, and the relationship benefited both sides. Under the Islamist AK party, that relationship gradually deteriorated. Both sides were at fault: Turkish politicians were all too ready to demagogue the issue to score domestic political points, and Israelis did not respond with all possible tact. But if Israel really does emerge as a great energy power, and a Russia-Greece-Cyprus-Israel energy consortium does in fact emerge, Turkey will feel like someone who jilted a faithful longtime girlfriend the week before she won a huge lottery jackpot. More, Turkey’s ambitions to play a larger role in the old Ottoman stomping ground of the eastern Mediterranean basin will have suffered a significant check.

If the possibility of huge Israeli energy discoveries really pans out, and if the technical and resource problems connected with them can actually be solved, the US-Israeli relationship will also change. Some of this may already be happening. Prime Minister Netanyahu’s evident lack of worry when it comes to crossing President Obama may reflect his belief that Israel has some new cards to play. An energy-rich Israel with a lot of friends and suitors is going to be less dependent on the US than it has been — and it is also going to be a more valuable ally.

The emerging new energy picture in Israel has the potential to be one of the biggest news developments of the next ten years. Potentially, the energy revolution and the change in Israel’s outlook has more geopolitical implications than the Arab Spring....Even at this very early stage, the

impact of Israel's energy wealth is dramatic. On President Putin's visit to Jerusalem, he donned a kippah and went to pray at the Western Wall of the ancient Temple....

Putin had more honeyed words for his Israeli hosts. Touring the Wall, he said "Here, we see how the Jewish past is etched into the stones of Jerusalem." This is not quite a formal recognition of Israeli claims to the Old City, but it is much more than Israelis usually hear....If the oil and the gas start to flow in anything like the quantities experts think now may be possible, expect many more visitors to Jerusalem to say similar things to Israelis.... An Israel with vast energy endowments may be less coolly received in certain circles than it is today.

In the meantime, we wonder if there was an 11th, hitherto undiscovered commandment on those tablets at Sinai: Thou shalt drill, baby, thou shalt drill.

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ON TOPIC

[Arabism Is Dead! Long Live...?:](#) [Barry Rubin, *Rubin Report*, January 20, 2012](#)—The biggest change has been the collapse of Arab nationalism, the ideology and system that governed many countries, controlled the regional debate, and intimidated everyone else into line for six decades.

[Why Sunni Islamism is The World's Greatest Threat:](#) [Barry Rubin, *Jerusalem Post*, Aug. 26, 2012](#)—No, it sure isn't the Age of Aquarius or of multicultural, politically correct love-ins. It's the age of revolutionary Islamism, especially Sunni Islamism. And you better learn to understand what this is all about, real fast.

[The Promise of the Arab Spring:](#) [Sheri Berman, *Foreign Affairs*, Jan. 2013](#)—It's easy to be pessimistic about the Arab Spring, given the post-revolutionary turmoil the Middle East is now experiencing. But critics forget that it takes time for new democracies to transcend their authoritarian pasts. As the history of political development elsewhere shows, things gets better. In Political Development, No Gain Without Pain

[Views of the Israeli Public on Israeli Security and Resolution of the Arab-Israeli Conflict:](#) [Jerusalem Center for Public Affairs, Dec. 2012](#)—□ 76% of Israelis (83% of Jews) believe that a withdrawal to the 1967 lines and a division of Jerusalem would not bring about an end of the conflict. □ 61% of the Jewish population believes that defensible borders are more important than peace for assuring Israel's security (up from 49% in 2005). □ 78% of Jews indicated they would change their vote if the party they intended to support indicated that it was prepared to relinquish sovereignty in east Jerusalem. 59% of Jews said the same about the Jordan Valley.

[Israel should annex the Jordan Valley:](#) [Michael Harris, *Jerusalem Post*, Jan. 2, 2013](#)—There is nothing that should prevent Israel from annexing the Jordan Valley, a territory that encompasses 25 percent of the West Bank. Israel has not annexed the West Bank because it is undesirable to give citizenship to 2.5 million Palestinians, but the demography of the Jordan Valley is different.

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