



S. DANIEL ABRAHAM  
CENTER FOR MIDDLE EAST PEACE

## Israel and Middle East News Update

*Tuesday, October 4*

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# News Excerpts

October 4, 2022

## Times of Israel

### **Bank of Israel Hikes Interest Rate To Bring Inflation Down**

The Bank of Israel delivered another large increase to its benchmark interest rate, hiking it by another 0.75 points to 2.75%, as part of the central bank's efforts in recent months to slow inflation growth. Inflation in Israel has reached 4.6% over the past 12 months, as of the most recent research, down from 5.2% calculated in August but still well above the bank's upper range of 3% projected in January. Inflation in the US has eased to 8.3% in August, down slightly from 8.5% throughout the summer months, and Europe-wide inflation hit 10% in September. The Bank of Israel's rate jump comes just over a month after the bank raised the rate to 2%, up from 1.25% in July. It is the fifth-rate jump in 2022, the first of which was in April when the central bank initially raised the key rate from an all-time low of 0.1%, a minimal rate it had kept for several years and throughout the COVID-19 pandemic.

## Jerusalem Post

### **Netanyahu Pledges Massive Settlement Building if Elected**

In an appeal to right-wing voters, former prime minister [Benjamin Netanyahu](#) pledged to support massive housing construction in West Bank settlements if he regains his former leadership position. Netanyahu signed his name, along with 30 members of his Likud Party and another 26 politicians from Shas, United Torah Judaism, and the Religious Zionist Party to a declaration on intended settlement building by the Sovereignty Movement. In a campaign titled "Moving Eastward," the Sovereignty Movement claims that the best resolution to the housing crisis in Israel is to build in Judea and Samaria (West Bank). Netanyahu put his name on the document at a time when the Biden administration has sharpened its rhetoric against settlement building, with United States Ambassador Tom Nides clarifying that Israel had been asked to constrain settlement activity. [Dig Deeper "High Court Grants Another Delay in Razing of West Bank Bedouin Village" \(Times of Israel\)](#)

## Ha'aretz

### **Two Palestinians Killed Trying to Run Over IDF Soldiers**

Israeli forces killed two Palestinians who tried to run over soldiers operating in the Jalazone refugee camp, the army spokesperson said. Israeli troops arrested sixteen suspects in the West Bank. Locals began setting tires ablaze and blocking main roads at the entrance to the Jalazone refugee camp in response to the killings. The Fatah faction in Ramallah announced a general strike and a day of mourning in the region. The Palestinians deny the Israeli claim that the men tried to run over Israeli soldiers. These types of attacks are usually carried out by a single individual. In this case, three people were present in the car when the Israeli army opened fire, they added. [Dig Deeper "Palestinians: Israeli Crackdown Hindering Efforts to Enforce Order" \(Jerusalem Post\)](#)

## **PA Concerned by Possible Relocation of UK Embassy**

**Palestinian Authority** (PA) Prime Minister **Mohammad Shtayyeh** voiced concern at Britain's decision to review the location of its embassy in Israel, fearing it could be moved from Tel Aviv to Jerusalem. British Prime Minister **Liz Truss** has said she is reviewing whether or not to keep the embassy where it is. "Any change in the status quo in Jerusalem would undermine the two-state solution and will be considered a tacit recognition of the city's annexation to Israel, which will encourage the occupying state," Shtayyeh said at a weekly cabinet meeting in Ramallah. Prime Minister Yair Lapid has already said he was grateful that Truss was considering the move. The Palestinians want East Jerusalem as the capital of a future state. US-brokered peace talks between Israel and the Palestinians collapsed in 2014. [Dig Deeper "Arab States Said to Warn UK That Moving Embassy to Jerusalem Could Risk Trade Deal" \(Times of Israel\)](#)

## **In EU Dialogue, Lapid Recommits to Two-State Solution**

Prime Minister Lapid virtually attended the Israel-European Union Association Council meeting in Brussels. The Association Agreement between Israel and the EU is the framework for their relations in all domains. The agreement was intended to be discussed and updated every year in a council, but because of diplomatic differences, especially on the Palestinian issue, it has not convened for over ten years. Last July, Lapid traveled to Brussels as foreign minister to participate in the European foreign ministers meeting, during which it was agreed to restore the Israel-EU Association Council and deepen ties. The meeting is a victory for Israeli diplomacy, especially for Israel's ambassador to the EU Haim Regev, and for the political-strategic director of the Foreign Ministry, Aliza Bin Noun. [Dig Deeper "EU's Top Diplomat Presses Lapid on Palestinians at Opening of Brussels Meeting" \(Times of Israel\)](#)

## **Court Rules Gov't Must Respond to Lebanon Deal Petition**

The Israeli High Court of Justice ruled that the government must respond to a petition demanding that any maritime border deal with Lebanon come to a full vote in the Knesset. The petition, filed by the right-wing Lavi organization for citizens' rights, argues that as the current government is serving on an interim basis after the Knesset dissolved in June, the deal must be cleared by the Knesset. The petition demands that the government refrain from continuing negotiations, directly or indirectly, with the **Lebanese government** and that it does not sign the deal without the Knesset's approval. The court said the government has until October 27, four days before the general elections, to respond to the petition, when justices will hold a discussion on the deal. The US presented the proposal for a deal to resolve the border dispute to the Israeli and Lebanese governments. Negotiations have been going on for years, and a final version of the deal is reportedly close to being signed. [Dig Deeper "Even if Israel Agrees to a Border Deal, Energy Riches Are Distant Dream for Lebanon" \(Ha'aretz\)](#)

## **Gantz Makes Secret Visit to Azerbaijan**

Defense Minister Benny Gantz completed an official visit to Azerbaijan, which was dedicated to security and policy issues, and aimed at fostering defense cooperation between the countries. During the visit, Gantz met with the President of Azerbaijan Ilham Aliyev. He was also welcomed to the Ministry of Defense with an honor guard ceremony and met with his counterpart, Minister of Defense Colonel General Hasanov Zakir Asgar oglu. Gantz also met with the Chief of State Border Service, Colonel General Elchin Guliyev, and visited a State Border Service HQ. During the visit, Gantz emphasized the importance of maintaining strategic relations between Israel and the Republic of Azerbaijan, as well as the importance of continuing to work towards regional and global peace and stability. Gantz also reflected on the changes in the Middle East region following the signing of the Abraham Accords and discussed Israel's developing ties with Turkey and additional countries in the region and the world. The visit was not reported until Gantz departed back to Israel for security reasons. [Dig Deeper "Why Israel-Azerbaijan Ties Matter to the Region" \(Jerusalem Post\)](#)

### Reuters

## **Lawyers: MBS Has Immunity in Khashoggi Killing Lawsuit**

Lawyers for Saudi Arabian Crown Prince Mohammed bin Salman (MBS), facing a US lawsuit over the 2018 killing of Saudi journalist Jamal Khashoggi, told a court the crown prince's appointment as prime minister last week ensured him immunity from prosecution. Khashoggi was killed and dismembered by Saudi agents in the Saudi consulate in Istanbul in an operation that US intelligence believed was ordered by Prince Mohammed, who has been the kingdom's de facto ruler for several years. The prince denied ordering Khashoggi's killing but acknowledged later that it took place "under my watch." Last week his elderly father, King Salman, named him prime minister in a royal decree, which a Saudi official said was in line with responsibilities the crown prince was already exercising. "The Royal Order leaves no doubt that the Crown Prince is entitled to status-based immunity," lawyers for the prince said in a petition requesting a federal district court in Washington dismiss the case, citing other cases where the US has recognized immunity for a foreign head of state. President Joe Biden, who fist-bumped the crown prince on a visit to Saudi Arabia in July to discuss energy and security issues, had told Prince Mohammed that he considered him responsible for Khashoggi's killing. He said Prince Mohammed denied involvement and asserted those involved had been held to account. Khashoggi, who had criticized the crown prince's policies in Washington Post columns, had traveled to the Saudi consulate in Istanbul to obtain papers he needed to marry Hatice Cengiz, a Turkish citizen.

## **The Fury and the Gas**

By Nahum Barnea

- **Hizbullah Secretary General Hassan Nasrallah – the real one, not the copycats that are around - has faithfully fulfilled his part of the “end of summer” chaos. There has been an atmosphere of being on the brink of war. It’s unreasonable to think we will get out of the high holiday. Without an intifada in Judea and Samaria (West Bank), or a military operation in Lebanon, perhaps both together, with a barrage of rockets from Gaza added into the mix. Each of Nasrallah’s threatening speeches has been received with great resonance in Israel. The defense minister gives a warning, makes a threat, and gets prepared. At the end of the day, it turns out that the gun placed on the table during the first scene fired blanks in the third scene. Prior to the second Lebanon war in 2006, Nasrallah was considered trustworthy—sometimes more trustworthy than government ministers on the Israeli side.**
- **Sixteen years have passed since then, which is a heck of a lot of time in terms of the Middle East. By design or by accident, Nasrallah has gone from being the full-time head of a terror organization to being a full-time politician in Lebanon. His control of his forces stationed along the border with Israel is only partial. Organization members are involved in private or semi-private gun- and drug smuggling deals. Hizbullah did not act to disrupt the construction of the new barrier on the border. The organization did not even act to disrupt Israel’s little annexation of the Alawite Rajar village, which was under Syrian control prior to 1967. When Israel controlled South Lebanon, the village built a settlement called upper Raja, located over the border on Lebanese territory.**
- **In 2000, when Israel pulled back to the international border, the settlement was not removed. Over the last year, Israel has built a border fence surrounding both sides of the village, the north part of which is inside Lebanon. Raja completely opened up to Israeli tourism, all with the blessings of the commander of the IDF Northern Command, Amir Baram. Nasrallah closed his eyes. Nasrallah Speaks about Israel, but he means Beirut. Now it is his turn to become embroiled in the Lebanese mud. He is not only one of the parties responsible for the country’s bankruptcy. In the eyes of many, he is the primary culprit. His threats to strike the Karish site were political, not military.**
- **The war was for who would get the credit: I, Nasrallah scared the Jews, and Israel was forced to compromise, and Lebanon got a better agreement. He has found some allies in Israel. First of all, the Yom Kippur syndrome that is commonly found here in the army end amongst military commentators. Every threatening speech is a sign that points to war. The end of every event is the introduction to a massive failure. We must not, of course, ignore every military threat. But we must distinguish between rhetoric and an actual military operation—by them and by us. His second ally is Netanyahu. He chose to attack the agreement even before it was signed. He describes it as a capitulation by the Israeli government in both territorial and economic terms. I heard him speak recently in Ashdod; it was a speech given behind glass. He crowed about four peace agreements that he had signed in a matter of weeks without paying any price.**

- **They weren't peace agreements, of course, but rather normalization agreements. And it wasn't exactly without cost: Netanyahu, pressed by the Trump administration, was forced to walk back his promises to annex a large swath of the West Bank. The agreements were his payment for doing so. The damages he collected, if you will. The agreements are excellent, incidentally, very good for Israel. They weren't what Netanyahu wanted. The gas agreement with Lebanon might face a similar verdict. American envoy Amos Hochstein found a compromise that both sides could live with. The framework to recognize the maritime border has not been finalized. Israel will receive some degree of financial compensation, backed by oil companies from France and Italy, in exchange for the part they deserve in the field where the gas is located. The quid pro quo that the government is receiving from other gas reserves is a little disappointing. The lesson is clear: the Israeli government must not be stunned, not by Nasrallah's speeches and not by the speeches of our parliamentary opposition. They can allow for hitting the gas a little bit.**

## **Senator Menendez Held a Mirror, but Netanyahu Refused to Look**

By Alon Pinkas

- **US Senator Robert Menendez is a staunch and true friend of Israel. Always has been. While this depiction has been conferred in recent years too loosely and too liberally on too many people, few have earned the accolade and deserve the suffix as much as he has. From his days as a US Representative from New Jersey's (then) 13th district (1993-2006) to his much higher and more visible office and profile as the powerful Chairman of the Senate Foreign Relations Committee today, his pro-Israel bona fides are impeccable. So, when Senator Menendez warns Israel, reportedly, in a closed meeting with former Prime Minister Benjamin Netanyahu, that there could be adverse ramifications to forming an extreme right-wing coalition after the November 1 election, his polite advice should be heeded and taken seriously, not dismissed with disdain and resentment.**
- **But there's a problem. The Democratic Senator Robert Menendez of New Jersey was speaking to the MAGA-Republican Senator from Jerusalem, Benjamin Netanyahu, so there was little room for a fruitful dialogue to begin with. Menendez was warning Israel in general, not Netanyahu. He wasn't intervening in the Israeli election or future coalition building. He was merely exercising the "Friends don't let friends drink and drive" rule. If Netanyahu doesn't understand the meaning and consequences of his flirtation with and embrace of the Kahanist far-right in Israel, then Menendez was there to explain to him the implications and possible price he will pay in the US arena. If you do end up including far-right leaders in your coalition, Menendez reportedly said, it will have implications on US-Israeli relations and impact bipartisan support for Israel.**
- **What Menendez probably doesn't realize is that Netanyahu couldn't care less. If making the religious zealot, Jewish supremacist, and incendiary bigot Itamar Ben-Gvir Israel's next defense minister is the price for a government that Netanyahu hopes will extricate him from his corruption trial, then he will summarily appoint Ben-Gvir to that role and top it with the precedent of awarding the rank of Field Marshal to a guy who dodged compulsory military service. Senator Menendez, who opposed and voted against the 2015 Iran Nuclear Deal (JCPOA) on merit, surely remembers Mr. Netanyahu coming to Congress in 2015 behind the back of the American president and the entire Democratic party to give a politically motivated speech before that year's Israeli election.**
- **If so, he understands that threatening Netanyahu with causing damage to Israel's bipartisan support is frivolous. Netanyahu doesn't care. That doesn't mean that Menendez is wrong or should have refrained from warning him. That's what friends are for. What Netanyahu surely doesn't realize, appreciate or care about is the political undercurrent and essence of the senator's warning. In the contemporary Democratic Party, Bob Menendez is a centrist and a foreign policy hawk. He is not the only one (President Joe Biden is another), and in Congress, the centrist democrats are still a majority, despite a vocal "progressive Caucus" that expresses dissent and alternative thinking on foreign policy in general and on Israel policy in particular.**

- **If you observe the deeper and broader currents of the Democratic Party, they are tending more progressive and ask more and harder questions about America's unequivocal and automatic support of Israel. Senator Menendez knows politics, and he knows Netanyahu's track record in American politics, so he, therefore, knows that for almost a decade, Netanyahu has disassociated himself from the Democratic Party and from the roughly 75 percent of American Jews who vote for Democrats for both the Presidency and Congress. What Menendez was warning Israel about is that an extremist far-right coalition will make the centrists' defense of Israel increasingly more difficult and untenable. Younger Democrats, which comprise the demographic-electoral majority in America, will immediately identify such a Netanyahu-Ben Gvir government as no different from the MAGA cult in the US or Viktor Orbán's Hungary.**
- **Racist, xenophobic, anti-LGBTQ, anti-democracy. Looking at the coalition possibilities in post-election Israel, Menendez clearly sees that Israel is part of a political global trend in which the center has shrunk. Former right-center parties, like the old Likud and the old GOP, are now aligning themselves with a nationalist far-right message and adopting extremist rhetoric and practices. Menendez experiences this in the Senate every day, so assuming he can convince Netanyahu differently is an exercise in futility. In fact, the coalition Menendez was warning about is exactly the coalition Netanyahu wants and needs. As for damages it will cause to US-Israel relations, you can't threaten an arsonist with fire.**