



S. DANIEL ABRAHAM  
CENTER FOR MIDDLE EAST PEACE

## Israel and the Middle East News Update

*Thursday, July 13*

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- **Cabinet Puts Temporary Freeze on Qalqilya Expansion Plan**
- **Police Question Netanyahu Confidante over Submarines Affair**
- **Legal Office Suspected in Destroyed Documents in Submarine Case**
- **Netanyahu Failed to Reveal Full List of Ties With Moguls**
- **Bennett Holds 'Successful Meeting' with Trump Envoys**
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# News Excerpts

July 13, 2017

## i24 News

### **Liberman Endorses Contentious Plan to Expand Palestinian City**

Last year, Prime Minister Benjamin Netanyahu sought to allow a West Bank Palestinian city to expand. Yet once the plan became public, right-wing ministers in his government heckled and vetoed the proposal. This week, Netanyahu seeks to push the motion ahead once again, with a cabinet vote expected shortly. Yesterday (Wednesday), Israel's Defense Minister Avigdor Liberman endorsed the expansion plan. The plan would allow the Palestinian town of Qalqilya to build more houses for its overcrowded residents. The town is located some 10 miles from Tel Aviv. "This is an argument between a responsible right and a right-wing and a Messianic and populist right, the plan was fully backed by the security echelon" he said. See also, ["EXPANSION PLAN HIGHLIGHTS CROWDED WB CITY'S PLIGHT" \(AP\)](#)

## Times of Israel

### **Cabinet Puts Temporary Freeze on Qalqilya Expansion Plan**

The security cabinet decided late Wednesday night to temporarily freeze a proposal allowing the building of up to 14,000 housing units in the West Bank Palestinian city of Qalqilya. The ministerial body will convene again in ten days to make a final decision on the plan and to discuss a comprehensive policy regarding Palestinian construction in Israeli-controlled Area C of the West Bank, a statement from the Prime Minister's Office said. In the meantime, the National Security Council along with the Defense Ministry will provide ministers with the full details of the Qalqilya proposal, the statement added. See also, ["Israeli Cabinet Delays Discussion on Expansion of Palestinian City" \(Ha'aretz\)](#)

## AP

### **Police Question Netanyahu Confidante over Submarines**

Israeli police questioned a close confidante and cousin of Prime Minister Benjamin Netanyahu on Wednesday over his involvement in the purchase of German submarines. David Shimron, Netanyahu's cousin and his personal attorney, arrived for questioning following revelations that he represented the German firm involved in the \$1.5 billion deal, raising the prospect of a conflict of interests. Shimron told reporters after leaving the investigators' offices near Tel Aviv that he "must respect the investigation and the investigators," and that he therefore could not comment. See also, ["Netanyahu's lawyer being held in submarine corruption deal inquiry" \(The Guardian\)](#)

## Ynet News

### **Suspect a lawyer in Submarine Case Destroyed Documents**

Israel Police now suspect that Attorney Ronen Shemer, who worked at the legal firm of Miki Ganor, shredded and removed documents pertaining to current police investigation focused on the allegedly corrupt submarine deal with German company Thyssenkrupp, in what is being referred to as "Case 3000." Shemer denied the allegations, as his remand in police custody was extended to Monday. He is now suspected of interfering with a police investigation. The police also investigated Shemer over Ganor's overseas companies that are suspected of receiving funds without reporting it to the Israel Tax Authority. Shemer claimed that he is not required to report such funds. See also, ["Ex-navy chief, PM's attorney implicated in submarine graft case" \(Israel Hayom\)](#)

## **Netanyahu Failed to Reveal Full List of Ties With Moguls**

A few new pieces of the puzzle concerning Prime Minister Benjamin Netanyahu's connections to the owner of the Bezeq telecom monopoly, Shaul Elovitch, fell into place on Wednesday when State Comptroller Joseph Shapira released a special report on the matter. The report, along with previous media reports, paints a picture in which Netanyahu and Elovitch were old friends; and Netanyahu, who was also Communications Minister, still involved himself, directly and indirectly, in a long list of matters concerning Bezeq. At the same time, Netanyahu benefitted from positive media coverage from the Walla website, which was also owned by Elovitch, as was first exposed in Haaretz. See also, ["State watchdog: PM didn't disclose conflict of interest with Bezeq owner" \(Times of Israel\)](#)

Times of Israel

## **Bennett Holds 'Successful Meeting' with Trump Envoys**

Jewish Home chairman Naftali Bennett met Wednesday night with US President Donald Trump's peace envoy to the Middle East Jason Greenblatt and US Ambassador to Israel David Friedman, following reports earlier in the day that the US would soon announce a resumption of Israeli-Palestinian negotiations. Greenblatt arrived in Jerusalem Sunday for what a senior White House official described as "an interim visit as talks continue about potential next steps. President Trump has made it clear that working toward achieving a lasting peace agreement between the Israelis and Palestinians is a top priority for him." Bennett has in the past expressed disappointment with the new US administration. See also, ["U.S. Special Envoy meets Jewish Home chairman Bennett" \(Arutz 7\)](#)

Ha'aretz

## **Abbas-Gabbay Talk: 'We Must Build Trust'**

The Palestinian President Abbas called Wednesday the new head of Israel's Labor Party, Avi Gabbay, and congratulated him on winning the party chairmanship. A statement from the Labor party stated that Gabbay told Abbas that he and Netanyahu need to meet face-to-face, hold talks on ongoing ties between Israel and the Palestinian Authority and start building mutual trust. Gabbay told Abbas that one of the central issues that can be discussed are removing textbooks inciting against Israel from the Palestinian education system, as well as other issues, eventually move towards the core issues. "Peace is not reached through international meetings or regional summits, it starts by building trust," Gabbay told Abbas. See also, ["Israel's new Labor leader fields congratulatory call from Abbas" \(i24 News\)](#)

i24 News

## **Next stop, Mecca: Israel Seeks Saudi Air Link**

An Israeli cabinet minister wants Saudi Arabia to permit Israeli pilgrims to board direct flights from Tel Aviv to Mecca, building on the success of US President Donald Trump in making the first direct flight between the two countries in recent memory. Currently, Muslim citizens of Israel must go by bus, via Jordan, through the Arabian desert in order to make the Hajj pilgrimage to Islam's holiest site. In an interview with *Bloomberg*, Israel's Communications Minister Ayoob Kara said he has spoken to officials in Saudi Arabia, Jordan about thrashing out a new plan to make the pilgrimage less arduous.

## **Now that Netanyahu Has Reached the Top, the Only Way is Down**

*These are good times for the State of Israel and excellent times for Benjamin Netanyahu. But if things are so good, why is the prime minister so discontented, so troubled, so frantic? He has reached the point at which the only person who can bring him down is Netanyahu himself.*

By Nahum Barnea, columnist at Yedioth Ahronoth

- **Makor Rishon is a right-wing religious newspaper whose target audience is national-religious Jews in the settlements. Last Tuesday, Prime Minister Benjamin Netanyahu spoke at a Makor Rishon conference. “Occasionally, I hear that the newspaper’s goal is to strengthen me from the right,” he said. “So I’m telling you, that’s unnecessary. First of all, I come from the right; and second, I’m strong.”**
- **The term “right,” which is currently on the rise, both in Israel and in the world, requires an update. In a crossword puzzle, the four-letter answer to the clue “right-wing” is “hawk.” That’s a mistake. A hawk is someone who favors the use of military force in times of conflict. The most hawkish Israeli leader was Shimon Peres. Right-wing is something completely different.**
- **Teddy Roosevelt, who served as US president at the beginning of the 20th century, was considered a true hawk. The advice he gave his successors entered the pages of history: “Speak softly, and carry a big stick.” This sophisticated piece of advice no longer appeals to right-wing leaders. They prefer to carry a small stick and not hold back on their tone or volume.**
- **US President Donald Trump is an example: He threatened Iran decisively, but violated his promise to cancel the nuclear agreement; he threatened China never carried through; and most importantly, he released a series of aggressive, arrogant statements against Kim Jong-un, the North Korean tyrant. When Pyongyang realized there was no real intention behind those statements, the missiles began flying.**
- **Netanyahu is much more experienced than Trump in this game. He understands that the people don’t want wars—they want a warlike rhetoric. The lesson is clear: Don’t be a war monger—just don’t be shy on the rhetoric. Give them an enemy to be afraid of; give them constant security tensions; be careful not to give them military funerals.**
- **In his speeches, he describes Palestinian Authority President Mahmoud Abbas as the oppressor of the Jewish people, almost a new Hitler. In practice, his government cooperates with Abbas in the most sensitive area— security—day and night. Last week, Netanyahu met a former left-wing Knesset member at an event. Netanyahu tried to be nice. “We are doing a lot for Israel’s Arabs now,” he said. “What about the Palestinians?” the former MK asked. Netanyahu whispered, as if sharing a secret, as if he knows what the Palestinians say to each other behind closed doors: “They want Jaffa.”**
- **Everything is falling into place for him right now, like pieces on the Backgammon board. Years ago, experts warned that the influx of Muslim immigration to Western Europe would be translated into votes and would make the governments drift away from Israel. The opposite happened: The Muslim immigration was perceived as a threat to personal safety and to Europe’s**

cultural and religious heritage. Israel gained appreciation as a stable and strong country, a safe haven in the heart of a wild and dangerous Islamic region.

- The horrific images from Syria and Iraq that occupied our television screens and newspapers pushed the Palestinian issue to the periphery of the international agenda. The invaluable experience Israel has gained in the war on terror interests Europe's governments more than the injustices of the occupation; the innovation of Israel's high-tech industry is more interesting than the expansion of settlements. Not to mention Trump's America. These are the good times for the State of Israel and excellent times for Benjamin Netanyahu.
- Last week, he posed for photographs with Indian Prime Minister Narendra Modi at the beach, near Givat Olga. In the picture selected by the Prime Minister's Office, the two are seen standing in the water as the waves lightly wet their pants. Netanyahu is explaining something and Modi is listening. In another photo, Netanyahu is driving a car and Modi is sitting next to him obediently, like a student next to his teacher.
- If things are so good, why is Netanyahu so frightened? Why does he give in to every empty threat made by a coalition partner and then reconsiders, like a person in a state of utter panic? Why is controlling a remote television channel more important to him than any other issue on the agenda? Why does he follow up on every provocative statement made by Bayit Yehudi leader Naftali Bennett? How does he benefit from advancing anti-democratic bills which stir up a large part of the public, including part of his public? Why is he so discontented, so troubled, so frantic?
- The police investigations are an explanation of course, and so is the feeling of fatigue, and perhaps the revulsion over his family's excessive presence in our lives. But that's not enough. When someone is at the top of the pyramid for so long, looking down at the view can make them dizzy. From this place, the only way is down. Netanyahu has been serving as prime minister for 11 years now: Three years in the first round and eight years, for now, in the second round. He has reached the point in which he is the only person who can bring himself down. Neither Yesh Atid leader Yair Lapid nor the new Labor leader [Avi Gabbay](#) can do it. Netanyahu is the only one. The Greeks referred to it as hubris.

**SUMMARY:** If things are so good, why is Netanyahu so frightened? Why does he give in to every empty threat made by a coalition partner and then reconsiders, like a person in a state of utter panic? Why is controlling a remote television channel more important to him than any other issue on the agenda? Why does he follow up on every provocative statement made by Bayit Yehudi leader Naftali Bennett? How does he benefit from advancing anti-democratic bills which stir up a large part of the public, including part of his public? Why is he so discontented, so troubled, so frantic? The police investigations are an explanation of course, and so is the feeling of fatigue, and perhaps the revulsion over his family's excessive presence in our lives. But that's not enough. When someone is at the top of the pyramid for so long, looking down at the view can make them dizzy. From this place, the only way is down.



## **Submarine Graft Scandal Is Warning Shot to Pentagon Over Military Deals With Israel**

By Amos Harel, military commentator at Ha'aretz

- The rules governing the publication of suspects' names in alleged criminal offenses meant a 24-hour delay before the identity of some of the senior officials questioned in connection with the submarines graft case could be revealed. But by reading between the lines of initial reports after the first wave of arrests on Monday, we could have guessed what became official on Tuesday: those arrested were names who have been connected to the affair from the very beginning – David Shimron, Prime Minister Benjamin Netanyahu's personal lawyer; the former commander of the Israel Navy, Vice Admiral (res.) Eliezer Marom; businessman Michael Ganor; and Brig. Gen. (res.) Avriel Ben-Yosef, who was Netanyahu's candidate to head the National Security Council.
- Despite the efforts to scale down and dilute the extent of the affair in recent months, the first sessions in Judge Einat Ron's courtroom made clear the seriousness of the alleged offenses under investigation. The police and prosecution are examining suspicions of bribery and fraud with regard to huge deals by the navy involving one of Israel's most significant strategic capabilities. The main figures under investigation are the top players in Israel's business and military world.
- It is doubtful the suspects' many titles, or their vast network of connections, will make much of an impression on Judge Ron – herself a colonel in the reserves who was once chief military prosecutor (under the former military advocate general and current attorney general, Avichai Mendelblit, at the end of her term).
- The fact that former navy chief Marom was detained and his bank accounts frozen is a precedent in itself. There probably has never been another case in this country in which such a highly placed commander was accused of corruption. And in the security establishment, concern was heard Tuesday that Marom is not the only officer of his rank who will be questioned under caution in the affair, which concerns deals for Germany to sell Israel three submarines and several naval boats. Marom and Bar-Yosef were surrounded by a group of longtime generals offering personal support, even if they themselves were not involved in the offenses of which the two are suspected.
- One of the reasons the investigation began was following a complaint filed by the good-governance watchdog group Ometz of suspicions of corruption against Bar-Yosef. At that time, at least two retired generals tried to persuade the group's leaders to leave Bar-Yosef alone because he was a good, guy, one of us.
- At the same time, the possible implications of the affair overseas cannot be overlooked. Last month, Germany's federal security council approved the deals with Israel, but added a clause allowing purchases to be voided in case corruption could be shown.
- And we can imagine how the Pentagon will look at deals with the Defense Ministry and Israeli security industries, based on reports from the investigations. The Americans tend to take an

extremely dim view of corruption suspicions in arms deals. The result might be much more extensive than what is being discussed at this point.

- The prime minister, as his spokesmen constantly reiterate, is suspected of no wrongdoing – that, after all, was the wording of the official statement by the prosecution in the affair.
- But the flames are definitely licking at those close to him, from his lawyer and confidant Shimron to Bar-Yosef, whom Netanyahu wanted to promote to head Israel's National Security Council last year. Netanyahu and Shimron both claim that the premier had no idea his personal lawyer was also representing Ganor, who was an intermediary in the deals with German shipbuilder ThyssenKrupp. This claim requires a great deal of faith in the sincerity and integrity of both men. Somehow, it seems that Netanyahu's olfactory sense is not particularly sharp when it comes to picking his people; nor his awareness of their actions after he appoints them.
- In the past few years alone, his close associates Ari Harow, Perach Lerner, Natan Eshel and Gil Shefer have become embroiled in criminal or disciplinary investigations, and now Shimron and Bar-Yosef join that list. The plan for Bar-Yosef to head the NSC, which was taken off the table once the investigation against him was launched last year, was surprising in real time to some. It seems Netanyahu was aware of the objections of at least three senior former members of the NSC concerning Bar-Yosef's suitability.
- Bar-Yosef understands submarines, ships and natural gas deals (he was the former chief of the Israel Navy's equipment division), and it's possible his understanding in these areas is what advanced the idea for his appointment.
- The investigation and arrest raise sad thoughts about the NSC, which Netanyahu rightly established at the end of his first term in office in 1999. Despite several reports by investigative panels and the State Comptroller's Office, the council has not been able to take off. Indeed, Netanyahu seems to want to keep it as his personal political council, devoid of any real powers in its contacts with other security and political bodies. This is evidenced by the long saga concerning the appointment of an NSC leader since Yossi Cohen was appointed Mossad chief in January 2016.
- First Bar-Yosef's potential appointment was quashed; then came Yaakov Nagel (who was acting head of the council and refused to accept a permanent appointment). This April, Eitan Ben-David was appointed new acting head of the council.
- Two weeks ago, Netanyahu decided to appoint the current head of the southern district of the Shin Bet security service (known as M.) as the next council head. But then it transpired that the appointment would be for only six months, after which it would be decided whether to make it permanent. This does not seem the most suitable way to shore up the status of a troubled state entity.
- Without reference to progress in the criminal investigation (and the police are hinting that it is expected to branch out and include additional serious allegations), it is clear that the entire way the navy does its purchasing will require new, extensive scrutiny.
- Zigzagging between positions, lack of coordination between various agencies, questions as to alleged criminal conduct of some of those involved – all will require a thorough examination of the decision-making process that led to the transactions worth billions of euros.

- As in other cases, a weakness stands out of oversight and monitoring by all those who should have been gatekeepers for the public, to ensure the process is clean.
- Neither the IDF top brass, the Defense Ministry, the Knesset Foreign Affairs and Defense Committee, nor the ministerial committee that examines such purchases, looked deeply into these deals and raised a red flag in real time.
- Ultimately, complaints filed by citizens and investigations by journalists were needed for the prosecution and the police to belatedly start to figure out what was going on, in a way that might eventually lead to legal judgment being meted out to those responsible.

**SUMMARY:** At the same time, the possible implications of the affair overseas cannot be overlooked. Last month, Germany's federal security council approved the deals with Israel, but added a clause allowing purchases to be voided in case corruption could be shown. And we can imagine how the Pentagon will look at deals with the Defense Ministry and Israeli security industries, based on reports from the investigations. The Americans tend to take an extremely dim view of corruption suspicions in arms deals. The result might be much more extensive than what is being discussed at this point.

The prime minister, as his spokesmen constantly reiterate, is suspected of no wrongdoing – that, after all, was the wording of the official statement by the prosecution in the affair. But the flames are definitely licking at those close to him, from his lawyer and confidant Shimron to Bar-Yosef, whom Netanyahu wanted to promote to head Israel's National Security Council last year. Netanyahu and Shimron both claim that the premier had no idea his personal lawyer was also representing Ganor, who was an intermediary in the deals with German shipbuilder ThyssenKrupp. This claim requires a great deal of faith in the sincerity and integrity of both men. Somehow, it seems that Netanyahu's olfactory sense is not particularly sharp when it comes to picking his people; nor his awareness of their actions after he appoints them.