

# 'Group-Thinking' the World into a New War

**Exclusive:** The armchair warriors of Official Washington are eager for a new war, this time with Russia over Ukraine, and they are operating from the same sort of mindless "group think" and hostility to dissent that proved so disastrous in Iraq, reports Robert Parry.

By Robert Parry

If you wonder how the lethal "group think" on Iraq took shape in 2002, you might want to study what's happening today with Ukraine. A misguided consensus has grabbed hold of Official Washington and has pulled in everyone who "matters" and tossed out almost anyone who disagrees.

Part of the problem, in both cases, has been that neocon propagandists understand that in the modern American media the personal is the political, that is, you don't deal with the larger context of a dispute, you make it about some easily demonized figure. So, instead of understanding the complexities of Iraq, you focus on the unsavory Saddam Hussein.

This approach has been part of the neocon playbook at least since the 1980s when many of today's leading neocons such as Elliott Abrams and Robert Kagan were entering government and cut their teeth as propagandists for the Reagan administration. Back then, the game was to put, say, Nicaragua's President Daniel Ortega into the demon suit, with accusations about him wearing "designer glasses." Later, it was Panamanian dictator Manuel Noriega and then, of course, Saddam Hussein.

Instead of Americans coming to grips with the painful history of Central America, where the U.S. government has caused much of the violence and dysfunction, or in Iraq, where Western nations don't have clean hands either, the story was made personal about the demonized leader and anyone who provided a fuller context was denounced as an "Ortega apologist" or a "Noriega apologist" or a "Saddam apologist."

So, American skeptics were silenced and the U.S. government got to do what it wanted without serious debate. In Iraq, for instance, the American people would have benefited from a thorough airing of the complexities of Iraqi society such as the sectarian divide between Sunni and Shiite and the potential risks of invading under the dubious rationale of WMD.

But there was no thorough debate about anything: not about international law that held "aggressive war" to be "the supreme international crime"; not about

the difficulty of putting a shattered Iraq back together after an invasion; not even about the doubts within the U.S. intelligence community about whether Iraq possessed usable WMD and whether Hussein had any ties to al-Qaeda.

All the American people heard was that Saddam Hussein was “a bad guy” and it was America’s right and duty to get rid of “bad guys” who supposedly had dangerous WMDs that they might share with other “bad guys.” To say that this simplistic argument was an insult to a modern democracy would be an understatement, but the propaganda worked because almost no one in the mainstream press or in academia or in politics dared speak out.

Those who could have made a difference feared for their careers and they were “right” to have those fears, at least in the sense that it was much safer, career-wise, to run with the herd than to stand in the way. Even after the Iraq War had turned into an unmitigated disaster with horrific repercussions reaching to the present, the U.S. political/media establishment undertook no serious effort to impose accountability.

Almost no one who joined in the Iraq “group think” was punished. It turns out that there truly is safety in numbers. Many of those exact same people are still around holding down the same powerful jobs as if nothing horrible had happened in Iraq. Their pontifications still are featured on the most influential opinion pages in American journalism, with the New York Times’ Thomas L. Friedman a perfect example.

Though Friedman has been wrong again and again, he is still regarded as perhaps the preeminent foreign policy pundit in the U.S. media. Which brings us to the issue of Ukraine and Russia.

## **A New Cold War**

From the start of the Ukraine crisis in fall 2013, the New York Times, the Washington Post and virtually every mainstream U.S. news outlet have behaved as dishonestly as they did during the run-up to war with Iraq. Objectivity and other principles of journalism have been thrown out the window. The larger context of both Ukrainian politics and Russia’s role has been ignored.

Again, it’s all been about demonized “bad guys” in this case, Ukraine’s elected President Viktor Yanukovich and Russia’s elected President Vladimir Putin versus the “pro-Western good guys” who are deemed model democrats even as they collaborated with neo-Nazis to overthrow a constitutional order.

Again, the political is made personal: Yanukovich had a pricy sauna in his mansion; Putin rides a horse shirtless and doesn’t favor gay rights. So, if you raise questions about U.S. support for last year’s coup in Ukraine, you somehow

must favor pricy saunas, riding shirtless and holding bigoted opinions about gays.

Anyone who dares protest the unrelentingly one-sided coverage is deemed a "Putin apologist" or a "stooge of Moscow." So, most Americans in a position to influence public knowledge but who want to stay employable stay silent, just as they did during the Iraq War stampede.

One of the ugly but sadly typical cases relates to Russia scholar Stephen F. Cohen, who has been denounced by some of the usual neocon suspects for deviating from the "group think" that blames the entire Ukraine crisis on Putin. The New Republic, which has gotten pretty much every major issue wrong during my 37 years in Washington, smeared Cohen as "Putin's American toady."

And, if you think that Cohen's fellow scholars are more tolerant of a well-argued dissent, the Association for Slavic, East European and Eurasian Studies further proved that deviation from the "group think" on Ukraine is not to be tolerated.

The academic group spurned a fellowship program, which it had solicited from Cohen's wife, Katrina vanden Heuvel, because the program's title included Cohen's name. "It's no secret that there were swirling controversies surrounding Professor Cohen," Stephen Hanson, the group's president, told the New York Times.

In a protest letter to the group, Cohen called this action "a political decision that creates serious doubts about the organization's commitment to First Amendment rights and academic freedom." He also noted that young scholars in the field have expressed fear for their professional futures if they break from the herd.

He mentioned the story of one young woman scholar who dropped off a panel to avoid risking her career in case she said something that could be deemed sympathetic to Russia.

Cohen noted, too, that even established foreign policy figures, ex-National Security Advisor Zbigniew Brzezinski and former Secretary of State Henry Kissinger, have been accused in the Washington Post of "advocating that the West appease Russia," with the notion of "appeasement" meant "to be disqualifying, chilling, censorious." (Kissinger had objected to the comparison of Putin to Hitler as unfounded.)

In other words, as the United States rushes into a new Cold War with Russia, we are seeing the makings of a new McCarthyism, challenging the patriotism of anyone who doesn't get into line. But this conformity of thought presents a

serious threat to U.S. national security and even the future of the planet.

It may seem clever for some New Republic blogger or a Washington Post writer to insult anyone who doesn't accept the over-the-top propaganda on Russia and Ukraine much as they did to people who objected to the rush to war in Iraq but a military clash with nuclear-armed Russia is a crisis of a much greater magnitude.

### **Botching Russia**

Professor Cohen has been one of the few scholars who was right in criticizing Official Washington's earlier "group think" about post-Soviet Russia, a reckless and mindless approach that laid the groundwork for today's confrontation.

To understand why Russians are so alarmed by U.S. and NATO meddling in Ukraine, you have to go back to those days after the Soviet Union collapsed in 1991. Instead of working with the Russians to transition carefully from a communist system to a pluralistic, capitalist one, the U.S. prescription was "shock therapy."

As American "free market" experts descended on Moscow during the pliant regime of Boris Yeltsin, well-connected Russian thieves and their U.S. compatriots plundered the country's wealth, creating a handful of billionaire "oligarchs" and leaving millions upon millions of Russians in a state of near starvation, with a collapse in life expectancy rarely seen in a country not at war.

Yet, despite the desperation of the masses, American journalists and pundits hailed the "democratic reform" underway in Russia with glowing accounts of how glittering life could be in the shiny new hotels, restaurants and bars of Moscow. Complaints about the suffering of average Russians were dismissed as the grumblings of losers who failed to appreciate the economic wonders that lay ahead.

As recounted in his 2001 book, *Failed Crusade*, Cohen correctly describes this fantastical reporting as journalistic "malpractice" that left the American people misinformed about the on-the-ground reality in Russia. The widespread suffering led Vladimir Putin, who succeeded Yeltsin, to pull back on the wholesale privatization, to punish some oligarchs and to restore some of the social safety net.

Though the U.S. mainstream media portrays Putin as essentially a tyrant, his elections and approval numbers indicate that he commands broad popular support, in part, because he stood up to some oligarchs (though he still worked with others). Yet, Official Washington continues to portray oligarchs whom Putin

jailed as innocent victims of a tyrant's revenge.

Last October, after Putin pardoned one jailed oligarch Mikhail Khodorkovsky, neocon Freedom House sponsored a Washington dinner in his honor, hailing him as one of Russia's political heroes. "I have to say I'm impressed by him," declared Freedom House President David Kramer. "But he's still figuring out how he can make a difference."

New York Times writer Peter Baker fairly swooned at Khodorkovsky's presence. "If anything, he seemed stronger and deeper than before" prison, Baker wrote. "The notion of prison as cleansing the soul and ennobling the spirit is a powerful motif in Russian literature."

Yet, even Khodorkovsky, who is now in his early 50s, acknowledged that he "grew up in Russia's emerging Wild West capitalism to take advantage of what he now says was a corrupt privatization system," Baker reported.

In other words, Khodorkovsky was admitting that he obtained his vast wealth through a corrupt process, though by referring to it as the "Wild West" Baker made the adventure seem quite dashing and even admirable when, in reality, Khodorkovsky was a key figure in the plunder of Russia that impoverished millions of his countrymen and sent many to early graves.

In the 1990s, Professor Cohen was one of the few scholars with the courage to challenge the prevailing boosterism for Russia's "shock therapy." He noted even then the danger of mistaken "conventional wisdom" and how it strangles original thought and necessary skepticism.

"Much as Russia scholars prefer consensus, even orthodoxy, to dissent, most journalists, one of them tells us, are 'devoted to group-think' and 'see the world through a set of standard templates,'" wrote Cohen. "For them to break with 'standard templates' requires not only introspection but retrospection, which also is not a characteristic of either profession."

### **A Plodding Pundit**

Arguably, no one in journalism proves that point better than New York Times columnist Friedman, who is at best a pedestrian thinker plodding somewhere near the front of the herd. But Friedman's access to millions of readers on the New York Times op-ed page makes him an important figure in consolidating the "group think" no matter how askew it is from reality.

Friedman played a key role in lining up many Americans behind the invasion of Iraq and is doing the same in the current march of folly into a new Cold War with Russia, including now a hot war on Russia's Ukrainian border. In one

typically mindless but inflammatory column, entitled "Czar Putin's Next Moves," Friedman decided it was time to buy into the trendy analogy of likening Putin to Hitler.

"Last March, former Secretary of State Hillary Clinton was quoted as saying that Russian President Vladimir Putin's attack on Ukraine, supposedly in defense of Russian-speakers there, was just like 'what Hitler did back in the '30s', using ethnic Germans to justify his invasion of neighboring lands. At the time, I thought such a comparison was over the top. I don't think so anymore."

Though Friedman was writing from Zurich apparently without direct knowledge of what is happening in Ukraine, he wrote as if he were on the front lines: "Putin's use of Russian troops wearing uniforms without insignia to invade Ukraine and to covertly buttress Ukrainian rebels bought and paid for by Moscow, all disguised by a web of lies that would have made Nazi propagandist Joseph Goebbels blush and all for the purpose of destroying Ukraine's reform movement before it can create a democratic model that might appeal to Russians more than Putin's kleptocracy, is the ugliest geopolitical mugging happening in the world today.

"Ukraine matters, more than the war in Iraq against the Islamic State, a.k.a., ISIS. It is still not clear that most of our allies in the war against ISIS share our values. That conflict has a big tribal and sectarian element. It is unmistakably clear, though, that Ukraine's reformers in its newly elected government and Parliament, who are struggling to get free of Russia's orbit and become part of the European Union's market and democratic community, do share our values. If Putin the Thug gets away with crushing Ukraine's new democratic experiment and unilaterally redrawing the borders of Europe, every pro-Western country around Russia will be in danger."

If Friedman wished to show any balance which he clearly didn't he might have noted that Goebbels would actually be quite proud of the fact that some of Hitler's modern-day followers are at the forefront of the fight for Ukrainian "reform," dispatched by those Kiev "reformers" to spearhead the nasty slaughter of ethnic Russians in eastern Ukraine.

But references to those inconvenient neo-Nazis, who also spearheaded the coup last February ousting President Yanukovich, are essentially verboten in the U.S. mainstream media. So, is any reference to the fact that eastern Ukrainians have legitimate grievances with the Kiev authorities who ousted Yanukovich who had been elected with strong support from eastern Ukraine.

But in the mainstream American "group think," the people of eastern Ukraine are simply "bought and paid for by Moscow" all the better to feel good about

slaughtering them. [See Consortiumnews.com's "[Seeing No Neo-Nazi Militias in Ukraine.](#)"]

We're also not supposed to mention that there was a coup in Ukraine, as the New York Times told us earlier this month. It was just white-hat "reformers" bringing more U.S.-sponsored good government to Ukraine. [See Consortiumnews.com's "[NYT Still Pretends No Coup in Ukraine.](#)"]

In his column, without any sense of irony or awareness, Friedman glowingly quotes Natalie Jaresko, Ukraine's new finance minister (leaving out that Jaresko is a newly minted Ukrainian citizen, an ex-American diplomat and investment banker with her own history of "kleptocracy.")

Friedman quotes Jaresko's stirring words: "Putin fears a Ukraine that demands to live and wants to live and insists on living on European values, with a robust civil society and freedom of speech and religion [and] with a system of values the Ukrainian people have chosen and laid down their lives for."

However, as I noted in December, Jaresko headed a U.S. government-funded investment project for Ukraine that involved substantial insider dealings, including \$1 million-plus fees to a management company that she also controlled.

Jaresko served as president and chief executive officer of Western NIS Enterprise Fund (WNISEF), which was created by the U.S. Agency for International Development with \$150 million to spur business activity in Ukraine. She also was cofounder and managing partner of Horizon Capital which managed WNISEF's investments at a rate of 2 to 2.5 percent of committed capital, fees exceeding \$1 million in recent years, according to [WNISEF's 2012 annual report.](#)

In the 2012 report, the section on "related party transactions" covered some two pages and included not only the management fees to Jaresko's Horizon Capital (\$1,037,603 in 2011 and \$1,023,689 in 2012) but also WNISEF's co-investments in projects with the Emerging Europe Growth Fund [EEGF], where [Jaresko was founding partner and chief executive officer.](#) Jaresko's Horizon Capital also managed EEGF.

From 2007 to 2011, WNISEF co-invested \$4.25 million with EEGF in Kerameya LLC, a Ukrainian brick manufacturer, and WNISEF sold EEGF 15.63 percent of Moldova's Fincombank for \$5 million, the report said. It also listed extensive exchanges of personnel and equipment between WNISEF and Horizon Capital.

Though it's difficult for an outsider to ascertain the relative merits of these insider deals, they involved potential conflicts of interest between a U.S.-taxpayer-funded entity and a private company that Jaresko controlled.

Based on the data from WNISEF's 2012 annual report, it also appeared that the U.S. taxpayers had lost about one-third of their investment in WNISEF, with the fund's balance at \$98,074,030, compared to the initial U.S. government grant of \$150 million. [See Consortiumnews.com's "[Ukraine's Made-in-USA Finance Minister.](#)"]

In other words, there is another side of the Ukraine story, a darker reality that Friedman and the rest of the mainstream media don't want you to know. They want to shut out alternative information and lead you into another conflict, much as they did in Iraq.

But Friedman is right about one thing: "Ukraine matters." And he's even right that Ukraine matters more than the butchery that's continuing in Iraq.

But Friedman is wrong about why. Ukraine matters more because he and the other "group thinkers," who turned Iraq into today's slaughterhouse, are just as blind to the reality of the U.S. military confronting Russia over Ukraine, except in the Ukraine case, both sides have nuclear weapons.

**Investigative reporter Robert Parry broke many of the Iran-Contra stories for The Associated Press and Newsweek in the 1980s. You can buy his latest book, *America's Stolen Narrative*, either in [print here](#) or as an e-book (from [Amazon](#) and [barnesandnoble.com](#)). You also can order Robert Parry's trilogy on the Bush Family and its connections to various right-wing operatives for only \$34. The trilogy includes *America's Stolen Narrative*. For details on this offer, [click here](#).**

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## Why FDR Matters Now More Than Ever

On the 133<sup>rd</sup> anniversary of his birth, Franklin Roosevelt remains a relevant figure for America, the president who gave meaning to the Constitution's mandate to "provide for the general Welfare" – and who is still a target for those who made "free markets" their god and "gub-mint" their devil, writes Beverly Bandler.

By Beverly Bandler

Franklin Delano Roosevelt was on his way to his first inauguration on March 4, 1933, in the fourth dark winter of the Great Depression. Amid widespread public fear and distress, there were machine-gun nests at the corners of the great government buildings in Washington, a city that hadn't had such a look of an armed camp since the Civil War.

In the 1932 campaign, FDR had promised Americans a “new deal” and in his Inaugural Address he famously told the nation that “the only thing we have to fear is fear itself.” But that was only partly true. There were many genuine reasons for Americans to fear the future. There was the possibility of revolution or even a right-wing coup d’etat.

But FDR quickly went to work on an aggressive government campaign to provide relief and recovery. In doing so, as Professor Lawrence Davidson has written, “Roosevelt and the New Deal saved capitalism from itself.”

As writer Russell Baker has noted, “Roosevelt and his advisers introduced a new philosophy, one that held that Americans had responsibilities to one another, and that government had a duty to intervene when capitalism failed.” In effect, FDR gave meaning to the mandate of the U.S. Constitution for the federal government to “promote” and “provide for the general Welfare.”

Herbert Hoover, Roosevelt’s predecessor, had said, “The sole function of government is to bring about a condition of affairs favorable to the beneficial development of private enterprise.” Roosevelt created what journalist George Packer suggests was a period of the Roosevelt Republic, “a relatively egalitarian, secure, middle-class democracy, with structures in place that supported the aspirations of ordinary people.”

Roosevelt created a modern America with institutions that proved both durable and essential, the “bedrock of our nation’s economic stability,” says economist Paul Krugman.

One hundred thirty-three years since Roosevelt’s birth and nearly 82 years since he took office, many Americans have forgotten the lessons of those hard times. They again have come to follow the siren song of unregulated, “free market” capitalism. They have bought into Ronald Reagan’s assertion in 1981 that “government is the problem.”

### **Forgetting History**

As writer Tariq Ali has commented, “people are taught to forget history” and the history that many Americans have forgotten is how the Great American Middle Class was created. It did not exist before Roosevelt and the New Deal and it has been in rapid decline since Reagan and what might be called the Great Retrenchment.

You might have thought that the fallacy of magical markets with their invisible hands weaving a better life for all worthy citizens as long as “the gov-mint” didn’t interfere would have been demonstrated again by the Crash of 2008, after nearly three decades of a bipartisan deregulation frenzy.

By February 2009, the United States was losing over 500,000 jobs a month. Less known among the American people was the fact that there had been zero net job creation during the entire decade of the 2000s, as economics correspondent Neil Irwin reported in 2010. No previous decade since the 1940s had job growth less than 20 percent. Economic output rose at its slowest rate of any decade since the 1930s as well, Irwin noted.

In 2009, the economic disaster that Bush left behind confronted the new Democratic president, Barack Obama, with the need for unity and urgent action on a large scale, but he was confronted with both Republican obstructionism and an unwillingness of both the mainstream and right-wing media to admit that their devotion to “free market” ideology had proved catastrophic.

Despite an educational effort by some professional economists, historians and journalists to highlight the need for a revival of Roosevelt’s legacy, the anti-government “group think” which had come to dominate opinion circles over the previous three decades proved nearly impossible to shake.

Rather than building on the lessons of the New Deal, the conventional wisdom continued to disparage government intervention to pull the U.S. economy from the abyss. The core neoconservative or neoliberal argument was that the New Deal actually had failed despite the empirical evidence showing the opposite, as well as how a variety of government programs including post-FDR innovations like the GI Bill and Medicare had helped the young enter the middle class and the elderly stay there.

Giving voice to this anti-New Deal “group think,” The Washington Post’s Outlook section on Feb. 1, 2009, featured an article by Amity Shlaes headlined: “FDR Was a Great Leader, But His Economic Plan Isn’t One to Follow.” A second piece was entitled: “FDR’s Plan Failed to Spark.” Yet who was Shlaes and why should her opinion be so respected?

Shlaes is a former member of the editorial board of the *Wall Street Journal*, (the hothouse for anti-New Deal myth promotion). According to various bios, she has written on political economy, economic history and taxes, and taught a MBS course on “The Economics of the Great Depression,” all based, it appears, on a bachelor’s degree in English. She currently chairs the board of trustees of the Calvin Coolidge presidential foundation. Yet, even “Silent Cal” if he were alive today might be surprised that anyone would still be touting his laissez-faire economic nostrums in the Twenty-first Century after they failed so calamitously in the last century.

## **Dismissing Government**

Shlaes has gotten a lot of mileage out her theory that government can do little or no good and that the economy is best left to the businessmen and bankers. She wrote *The Forgotten Man: A New History of the Great Depression* (2007), that former Republican House Speaker Newt Gingrich praised as a blueprint for a return to “Whig-style free-market liberalism,” as Zachary Newkirk reported in *The Nation*.

It should be noted that the book appeared the year before the lightly regulated (or self-regulated) “free market” unraveled, spilling pain and chaos not only across America but throughout Europe and much of the developed world. Yet, in 2009 with the economy in freefall, the Washington Post turned to the lightly credentialed Shlaes as an expert on how government intervention wouldn’t work.

The Post made that choice although Shlaes has come under substantive criticism for making claims that are misleading, inaccurate and ideologically driven. Political commentator Jonathan Chait wrote that Shlaes’s book was “extremely strange” in that “it does not really argue that the New Deal failed.” He suggests that the book is novelistic rather than scholarly, a combination of bold claims, “implication,” lack of substantiation and contradictions, and “wild anecdotal selectivity.”

Shlaes, who avoids addressing the basic fact that the Depression came about during the Republican regime of 1929-1932, seems to know little if anything about the human suffering of the Depression. She cherry-picks data from the period, and like her fellow conservatives who create their own reality rejects all empirical evidence that Roosevelt’s programs helped the nation recover from the Depression.

She has been described by Depression historian Robert S. McElvaine as an “unconstructed antisocial Darwinist, the darling of the right for her completely wrong-headed view of the Great Depression.” Journalist Lynn Parramore says: “Amity Shlaes, ever the eager revisionist.”

But Shlaes’s trendy, counter-intuitive message still resonated with the well-paid elites of Washington, who had overwhelmingly bought into neoliberal and neoconservative theories that hold with religious intensity that the market is god. And these “wise” men and women weren’t about to admit such a fundamental mistake.

So, at the gray dawn of the Great Recession, the U.S. mainstream media might have done average Americans a better service by giving more attention to many sounder economists and historians who hold a more favorable view of the New Deal, such as:

Anthony J. Badger, Isaiah Berlin, Ben Bernanke, Alan Brinkley, E. Cary Brown, James MacGregor Burns, Adam Cohen, Lawrence Davidson, J. Bradford DeLong, Barry Eichengreen, Benjamin M. Friedman, Alexander Field, John Kenneth Galbraith, James K. Galbraith, David M. Kennedy, Paul Krugman, William E. Leuchtenburg, Robert D. Leighninger Jr., Jeff Madrick, Robert S. McElvaine, Charles McMillion, Kim Phillips-Fein, Eric Rauchway, Christina D. Romer, Arthur Schlesinger Jr., and Joseph E. Stiglitz.

But Shlaes and her novelistic perspective on the New Deal bolstered the thinking of many “conservatives” and quite a few “neoliberals” in their resistance to a major federal commitment to new public works projects and other initiatives to put Americans back to work and spur a recovery.

### **Obama’s Initiative**

As soon as President Obama took office, he requested an economic recovery plan from Congress. His American Recovery and Reinvestment Act (ARRA) of 2009 was a \$787 billion stimulus measure designed to jump start the economy and to create and save 3.5 million jobs, give 95 percent of American worker a tax cut, and begin to rebuild America’s road, rail and water infrastructure.

Many economists believed that the stimulus was far smaller than was needed to meet the economic collapse that followed the Wall Street meltdown in 2008, but the size was mostly dictated by the intense opposition of congressional conservatives who were buoyed by new waves of anti-government propaganda from right-wing and mainstream media.

Still, despite its inadequacies, the stimulus package along with the auto and bank bailouts and other federal interventions was credited by serious economists for stabilizing the economy and saving millions of jobs. David Leonhardt of the *New York Times* reported in February 2010 that research revealed that the government’s direct intervention “helped avert a second Depression.”

Yet, that reality didn’t fit with “free market” theology, which remains an article of faith among Republicans and conservatives who have denounced the New Deal since the 1930s as if they were fire-and-brimstone ministers decrying the Devil. But what is relatively new is that many members of today’s Democratic political elite have joined the “free market” cult by conveniently forgetting the history of the Great Depression and the New Deal. Many of these well-heeled Democrats made fortunes on Wall Street where they learned to embrace the “free market” creed.

Some younger Democrats may have simply not been exposed to the New Deal’s history. That would appear to be the case with Barack Obama, who was born in

1961 and came of age around 1980 at the beginning of the so-called Reagan Revolution.

But the “ancient history” of the 1930s is still relevant, especially for families whose great-grandparents were lifted from the Great Depression by the New Deal’s jobs programs, whose working-class grandfathers got educated through the GI Bill and pulled their families into the middle class, and whose mothers and fathers grew up at a time when a strong middle class created unprecedented economic security for many Americans.

One such family the Cheneys was devoted to FDR’s New Deal because it saved them from ruin and created such middle-class security for them that, ironically, one of their offspring, Dick Cheney, soon forgot why his father and grandfather were such strong Democrats and set off to Washington to dismantle FDR’s legacy. [See Consortiumnews.com’s [“Dick Cheney: Son of the New Deal.”](#)]

Once again, it’s worth remembering FDR’s legacy:

### **The United States, 1797 to 1929**

In the first decade of the Republic, President George Washington’s Treasury Secretary Alexander Hamilton offered a vision of an activist federal government that would “promote the general Welfare” through what was called “dirigisme,” an economic system in which the government played a strong role in nation-building, from creating a financial system to encouraging manufacturing to road and canal construction.

But Hamilton was sidelined under President John Adams and the Hamiltonian vision was ultimately defeated by the rise of Thomas Jefferson, who saw industrial development as a threat to agricultural interests, including the plantation system and slavery upon which Jefferson’s wealth and the economy of the South depended. [See Consortiumnews.com’s [“Thomas Jefferson: America’s Founding Sociopath.”](#)]

Though some of Hamilton’s nation-building ideas survived, his political defeat in the 1790s dealt a long-term setback to those who favored an activist federal government building a strong and successful nation. A *laissez-faire* system, albeit with businessmen frequently manipulating the government for economic gain, prevailed.

“In the 132 years between 1797 and 1929, there was no effective regulation of the U.S. economy,” writes history professor Lawrence Davidson. “No federal agencies existed to control corruption, fraud and exploitation on the part of the business class. Even during the Civil War, economic management on a national level was minimal and war profiteering common.”

"The way capitalism worked over these 132 years was a function of ideology," continues Davidson. "This was (and still is) the so-called free-market ideology which taught that if the government was kept as small as possible (basically having responsibility for internal order, external defense, and the enforcement of contracts), the citizenry would have to pay very low taxes and be left alone to pursue their own prosperity."

Between 1797 and 1929, the federal government did little to mitigate the cycles of boom and bust that ruined the lives of many Americans. For the better part of a century, the country suffered a wrenching economic collapse every five to ten years. Bank failures and Wall Street panics were common, and usually led to nationwide meltdowns.

The National Bureau of Economic Research, which tracks U.S. recessions, states that "the country experienced 33 major economic downturns which impacted roughly 60 of the years in question. These included 22 recessions, four depressions, and seven economic 'panics' (bank runs and failures)," notes Davidson.

### **The World FDR Faced**

The 1920s, while not considered an exceptional boom period, was what economist John Kenneth Galbraith called a "lively phase" of American capitalism, a continuation of the Gilded Age that is considered to have begun around 1870. For some historians, it closed at the end of the 19th Century, for others it ended in 1929.

The Gilded Age, so named by American humorist Mark Twain and Charles Dudley Warner in their satirical 1873 book, *The Gilded Age: A Tale of Today*, was characterized by a greatly expanding economy and the emergence of plutocratic influences in government and society, a post-Civil War America that was "an age of corruption, crooked land speculators, ruthless bankers, and dishonest politicians."

The generally euphoric economic expansion that followed World War I reflected *laissez-faire* "with a vengeance" and "rugged individualism." Known as the "Roaring Twenties" or the "Jazz Age," the 1920s produced flappers in fringes and hair bobs, the Charleston, Ponzi schemes, an explosion of movies and movie palaces.

It was the time of Prohibition (1920-1933), speakeasies, and crime. Americans thought they were in a never-ending "New Era" of low unemployment and general prosperity, but history reveals it was also a time of a "happy daze" that hid hardships and the extreme income inequality portrayed memorably in F. Scott Fitzgerald's *The Great Gatsby*. Income inequality reached a peak in 1928. There

were warning signs of trouble when an average of 600 banks failed each year during the decade.

Still, the United States got a glimpse of what could become a modern middle-class consumer economy with mass production putting many modern wonders within reach of millions of Americans, such as radios, home appliances and automobiles. After World War I, the United States became the richest society the world had ever seen. It was probably the first time in history that people were taught to value consumption, being told to consume more and more. Optimism and prosperity were not shared equally, however. The middle class was fledgling and comprised only 15 to 20 percent of Americans.

A system of quotas routinely kept women, blacks, Jews and ethnic whites out of the best jobs, residential areas and schools. In 1935, Yale University's Dean Milton Winteritz's instructions were specific: "Never admit more than five Jews, take only two Italian Catholics, and take no blacks at all."

In many parts of the United States in the first decade of the Twentieth Century, many areas had racially restricted housing covenants written into the title deeds that prohibited selling property to non-whites, a term that could include Jews, Italians, Russians and Latinos, anyone not white, Anglo Christian.

A system of apartheid, rationalized by bad science and enforced by lynching, ruled in the South. More than 4,700 people, mostly African-Americans, were lynched between 1882 and 1968, and that is the number that is documented. Republican Warren Harding was the first president in American history to publicly condemn lynching, in Birmingham, Alabama, no less. The Ku Klux Klan reached the height of its influence in 1924, when it claimed 9 million members.

Racism was not limited to the South. Racial tensions were heightened in areas in which African-Americans would compete for jobs. In Detroit, racial conflicts grew when Henry Ford began hiring African-Americans in large numbers in 1915 and paid them the same wages as his white employees.

Anti-Semitism reached its peak between the First and Second World Wars. Henry Ford may not have been anti-black when it came to hiring assembly-line workers, but he was a virulent anti-Semite. He was an admirer of Adolf Hitler and the Nazis, and one of the major overseas investors in their war machine. His 1921 book, *The International Jew*, still appears on many anti-Semitic and neo-Nazi sites. Ford dealerships across the country and internationally distributed free copies of the book.

### **Uneven Prosperity**

Thus, the notion that the 1920s was an era of unbounded prosperity and gaiety

for all is a myth. But times were good generally, except in farming and mining. Jobs were plentiful, prices were stable, and wages were rising. Unemployment during the decade ranged around 5 percent until 1930 (it should be noted that unemployment figures of this period were not gathered based on the systematic processes developed in the post-World War II era).

Most elderly Americans, however, lived in abject poverty. "The courts repeatedly struck down the most basic minimum wage, child labor, consumer protection and worker safety laws," writes historian Kevin Baker.

Despite the emergence of often-embattled unions, Baker reminds us that Americans of 1933 had little say in anything that mattered. Banking and investment were dominated by a small circle of self-interested, often dishonest men. Politics in every large city were usually controlled by corrupt political machines. In the South, millions of blacks and poor whites were kept from the ballot box by poll taxes, literacy tests and force of arms.

Elected in 1928, President Herbert Hoover had been one of the ablest and most widely admired men in America. Kevin Baker reminds us that Hoover was a dynamic figure and "rigorous thinker" who had served as secretary of commerce and had headed relief efforts with his wife in China during the Boxer Rebellion and in Europe at the start of World War I. He tirelessly promoted "new technologies, work-safety rules, and voluntary industry standards supervised relief to Mississippi and Louisiana during the terrible 1927 floods and advocated cooperation between labor and management."

At a time when the idea of "scientific management" was at a height, journalist Anne O'Hare McCormick's comment about Hoover's inauguration was not surprising: The American people "summoned a great engineer to solve our problems for us," she wrote. "Now we sat back comfortably and confidently to watch the problems being solved."

That was in March 1929. The Wall Street Crash that October revealed that even skilled engineers can run off the track. Baker has quoted New Dealer Rexford Tugwell as giving credit to Hoover for some bold ideas that were to get the New Deal label. History has recorded Hoover, however, as the talented engineer who turned out to be a rigid conservative intellectual committed to economic orthodoxy that reflected the 1920s "business progressivism."

As a Republican, Hoover refused to abandon the old-time religion of unbridled market capitalism reflected in his 1931 statement: "The sole function of government is to bring about a condition of affairs favorable to the beneficial development of private enterprise."

## The Depression 1929-1941

The Great Depression began in the late 1920s as eight years of uninterrupted prosperity came to a brutal end when the stock market bubble burst in October 1929. Yet, in the crucial early years of the economic collapse of 1929 to 1933, those walking the corridors of power formed a chorus of *liquidationists*, men who resisted pursuing expansionary monetary and fiscal policies in favor of “natural” market forces. Treasury Secretary Andrew Mellon’s 1930 prescription: “Liquidate labor, liquidate stocks, liquidate real estate.”

The “harsh lantern of history” reveals a rigid commitment to destructive policies in combination with a marked disengagement from human suffering. Millions of businesses and enterprises went bankrupt. Shantytowns, constructed of cardboard, tar paper, glass, lumber, tin, whatever materials people could salvage, cropped up across the country to absorb the millions of unemployed people evicted from their homes. They were called “Hoovervilles.”

Let’s look at the numbers behind the human misery – Industrial production: Between the peak and the trough of the downturn, industrial production in the United States declined 47 percent. Gross Domestic Product (GDP), a measure of the nation’s total economic activity, fell 30 percent.

Unemployment: The reliability of the statistics continues to be debated, but it is widely agreed that unemployment exceeded 20 percent at its highest point, according to economist Christina Romer, though some estimates put it at 33 percent, even 75-80 percent in some cities.

Income: People’s real disposable incomes were estimated to have dropped 28 percent. Farmers had already experienced severe hard times in the 1920s and were further crushed by catastrophic price drops, drought and debt. The value of farmland had fallen between 30 to 40 percent between 1920 and 1929. A thousand homeowners a day lost their homes.

The very future of western civilization was in grave doubt. Some Americans expected Roosevelt to claim the powers of a dictator or close to it. Others, especially rightists in the upper classes and some militarists in the Army, weighed the possibility of a coup. Adolf Hitler had become chancellor of Germany just over one month earlier. Benito Mussolini, Italy’s prime ministerial dictator since 1922, was fairly popular in the United States. Writer Russell Baker quotes Pennsylvanian Republican Sen. David Reed: “If this country ever needed a Mussolini, it needs one now.”

“There is no doubt in my mind that during the spring of 1933, the Army felt that the time was approaching when it might have to ‘take over,’” wrote Rex Tugwell,

one of FDR's "brain trusters." For many, democracy itself seemed exhausted. Historian Arthur Schlesinger Jr. describes the period as "a frightened age when the air was filled with the sound of certitudes cracking on every side."

"The most insistent propaganda in those days," writes political theorist and historian Isaiah Berlin, "declared that humanitarianism, liberalism and democratic forces were played out, that the choice now lay between two bleak extremes, communism and fascism." It is important to remember that the Depression was global.

### **A Campaign of Hope**

FDR's campaign in 1932 had offered the desperate nation hope. In his acceptance speech at the Democratic Convention, he declared: "Our Republican leaders tell us economic laws – sacred, inviolable, unchangeable – cause panics, which no one could prevent. But while they prate of economic laws, men and women are starving. We must lay hold of the fact that economic laws are not made by nature. They are made by human beings."

When FDR took the oath of office on that cold day in March 1933, the Depression was grinding into its fourth year. Over 10,000 banks had already collapsed and every bank in the country was in the process of closing its doors. The nation was in the middle of a terrifying fourth bank panic.

The issue in 1933 was not whether the federal government could respond to the economic crisis since it was not designed to do so. The issue was whether officials would be willing to build the institutions needed to handle a challenge as severe as the Depression.

FDR was faced with a stark choice: *recovery or revolution*. He chose recovery through the New Deal, a series of economic reforms passed by the U.S. Congress primarily during FDR's first term, 1933-1937. The reforms were designed to respond to the Great Depression with relief, recovery and reform. Most of the important legislation came in brief spurts in 1933, 1935 and, least important, in 1938.

Not only did New Deal programs put unemployed back to work on road building, conservation and other public works projects, but it created a system of regulation for banks and the stock market. The New Deal also put in place Social Security which gave some financial protection for the elderly and the disabled.

### **A Whirlwind of Action**

On his first day in office, March 4, 1933, FDR called Congress into a special session that began March 8 and did not adjourn until 99 days later on June 16,

creating the now-benchmark measure of every president, the first 100 days.

“The volume of important legislation so exceeded any earlier precedents, so overwhelmed the immediate capacity for full comprehension,” writes historian Paul K. Conkin, “that even today no one can more than begin to make sense out of the whole.”

“As Roosevelt pointed out, the New Deal wasn’t so new,” writes professor Rauchway. “He claimed inspiration from the progressivism of Woodrow Wilson, under whose administration Congress created the Federal Reserve System, lowered tariffs, and tried to legalize unions.

“Republicans supporting him cited Roosevelt’s cousin-uncle Theodore, under whose administration Congress began to regulate corporate accounting and passed truth-in-advertising and pure-food laws. Farm supporters of the New Deal drew on the decades-old tradition of populism, which opposed the gold standard and demanded that government assist rural residents as much as it assisted railroad corporations. What was new in 1932 was a basket case economy.”

The first three months of FDR’s first term were a frenzied period, described by Arthur Schlesinger Jr. as a “presidential barrage of ideas and programs unlike anything known to American history.” The speed was such that humorist Will Rogers quipped: “Congress doesn’t pass legislation anymore, they just wave at the bills as they go by.”

Historians habitually divide the New Deal in two phases: a “First New Deal” of the first Hundred Days and the following year (1933-34), and a “Second New Deal” (1935-38). FDR’s first concerns were the banking crisis and putting people to work, so the first New Deal sought to provide emergency recovery and relief through banking regulations, price stabilization efforts, farm relief programs and numerous emergency organizations.

The Second New Deal continued relief and recovery measures but represented a policy shift toward welfare legislation, what conservatives charge was “more radical, more pro-labor and anti-business” than the first. The second phase included the National Labor Relations Act (Wagner Act, 1935), which revived and strengthened the protections of collective bargaining and the Works Progress Administration (1935), which nationalized unemployment relief and created hundreds of thousands of low-skilled blue-collar jobs for the unemployed between 1935 and 1941.

The Social Security Act was the most important program of 1935, perhaps of the New Deal. It established a system of universal retirement pensions, unemployment insurance, and welfare benefits for poor families and the handicapped. The

Revenue Acts of 1935, 1936 and 1937 provided measures to democratize the federal tax structure. The 1938 Fair Labor Standards Act (the 44-hour workweek) was the final major New Deal measure.

### **The New Deal Worked**

“By any normal definition, the Great Depression had ended by late 1936, with all major indicators surpassing their previous peaks,” says economist McMillion.

In that sense, the conservatives who have fought the New Deal and its legacy for 80 years appear comparable to Holocaust deniers. No amount of factual history satisfies them in the faux reality that they have created, a mix of myth and ideology that is simply not true.

“That it was not the programs of the New Deal, but only the placing of the nation on a wartime footing years later, that restored the health of the nation’s economy” is what McMillion calls a “dangerous popular myth” that “cannot stand up to even the most basic economic analysis.”

It is a myth that is contradicted by the economic facts from the 1930s from *The Historical Statistics of the United States*, Bureau of Economic Analysis, Department of Commerce, the Federal Reserve and other official sources. It is a myth promoted by the Twenty-first Century version of Liberty Leaguers and the mainstream corporate, neoliberal/neoconservative (whatever your preferred term) media, which abound with anti-government ideology.

McMillion points out that Shlaes, who is neither a recognized historian nor an economist, consistently cites only two economic indicators of the 1930s: the falling but persistently high unemployment rate and the length of time required for the stock market to recover after its bubble burst.

“Neither of these is used in any serious economic or policy analysis,” continues McMillion. “Media emphasize the unemployment rate but, because it is known to be lagging and misleading, it is not considered at all by economists in determining the start or end of a recession or depression. Serious analysis, including recession and depression dating, use the separate business reporting of actual jobs added or lost.”

The stock market is one reflection of public confidence, but is not an appropriate statistic for New Deal economic analysis because of the small percentage of the population invested in it. Still, the reason why right-wing media outlets like *The Wall Street Journal* work very hard to try to discredit FDR and the New Deal is that they want more and more Americans to buy into the myth that both FDR and the New Deal failed and accept the follow-on argument that people must trust the magic of the market and despise “gub-mint.”

## The Economic Indicators

*U.S. Industrial Production*, which had collapsed (declined 47 percent) for nearly three years under Hoover, rocketed by 44 percent in the first three months of the New Deal and by December 1936, had completely recovered to surpass its 1929 peak. The 1937-1938 recession dip resulted when FDR, at heart a fiscal conservative, was persuaded to balance the budget and cut spending in response to fears of inflation when recovery was evident in 1936.

When the economy again contracted sharply in late 1937 and early 1938, FDR quickly reversed course and rapid growth immediately began again. Economist Marshall Auerback suggests: "the relapse of 1938 validates the efficacy of fiscal policy activism."

*The Gross Domestic Product (GDP)* plunged 25.6 percent from 1929-1932. However, in 1936, real GDP surpassed its 1929 peak and never again fell below it. Between 1933 and 1937, the GDP rose at an average of 9 percent per year, according to economist Christina Romer. It grew at an annual rate around 11 percent after the 1937-39 dip.

*Unemployment:* As James K. Galbraith notes, "The view that the New Deal was too small and accomplished little, that only WWII ended the Depression, is very widely held. But it is not correct. It is based on a mis-reading of reconstructed unemployment statistics from that time, which treat the workers actually employed by the New Deal as though they were unemployed."

Professor Rauchway notes that although unemployment records show that the unemployment rate didn't return to 1929 levels until 1943, a crucial point is that the unemployment rate fell every year of the New Deal with the exception of the 1938-39 recession, the latter the result of FDR's having been persuaded to change course. Other problems with the data relate to the treatment of many workers as unemployed even though they had jobs with New Deal programs.

As economist Auerback notes, "The key to evaluating Roosevelt's performance in combating the Depression is the statistical treatment of many millions of unemployed engaged in his massive workfare programs. The government hired about 60 per cent of the unemployed in public works and conservation projects that planted a billion trees, saved the whooping crane, modernized rural America, and built such diverse projects as the Cathedral of Learning in Pittsburgh, the Montana state capitol, much of the Chicago lakefront, New York's Lincoln Tunnel and Triborough Bridge complex, the Tennessee Valley Authority and the aircraft carriers *Enterprise* and *Yorktown*."

Auerback adds, the government "also built or renovated 2,500 hospitals, 45,000

schools, 13,000 parks and playgrounds, 7,800 bridges, 700,000 miles of roads, and a thousand airfields. And it employed 50,000 teachers, rebuilt the country's entire rural school system, and hired 3,000 writers, musicians, sculptors and painters, including Willem de Kooning and Jackson Pollock."

In effect, Auerback writes, the "workfare Americans" employed by the Roosevelt administration "reduced unemployment from 25 per cent in 1933 to 9 per cent in 1936, up to 13 per cent in 1938, back to less than 10 per cent at the end of 1940, to less than 1 per cent a year later when the U.S. was plunged into the Second World War at the end of 1941."

### **Historic Bargain**

In other words, Roosevelt rebuilt America at a historic bargain cost. The conservatives who keep attacking FDR and the New Deal are not only small-minded, ideology-based, destructive propagandists, they are wrong. They are wrong about FDR, wrong about the New Deal, wrong about history, wrong about economics, wrong about what is reality.

But these rightists can't let go of their FDR-bashing because the catastrophic Great Depression revealed the serious flaws of a free-market ideology based on beliefs not empirical evidence – and FDR's New Deal showed that government was needed to protect both the American people from unrestrained capitalism and capitalism from itself.

The New Deal did not engineer a full economic recovery during FDR's first two terms, mostly because despite its creative use of government it tended to err on the side of caution and FDR prematurely pulled back from government activism in 1938.

But the most basic economic analysis reveals that the New Deal *worked*. It brought real relief to most Americans and stabilized a collapsed economy. Full economic recovery resulted from the public spending in World War II, which demonstrated further the necessity of providing a greater fiscal stimulus to fully overcome the Depression.

The New Deal was not socialism. It was capitalism with safety nets and subsidies. It is credited with saving capitalism and perhaps western civilization. Its long-lasting institutions have become the bedrock of America's economic stability.

With the Truman, Eisenhower, Kennedy and Johnson administrations building on that bedrock, the Great American Middle Class arose, creating a foundation for the stunning growth that made the American economy the envy of the world from the 1940s through the 1960s, a prosperity that was widely shared.

FDR not only saved capitalism from its own destructive impulses of excessive greed and market manipulation but he broadened the concept of democracy, where average people had a real stake in the society. He had shown that the federal government could “provide for the general Welfare” at a time of grave crisis.

Still, FDR’s lasting enemies the true believers in the cult of the “free market” have never given up and they achieved major victories in the 1980s and 1990s with the removal of key regulations, such as the Glass-Steagall law separating commercial banks from stock speculation, and in the 2000s with the dreamy concept of business “self-regulation.”

The economic devastation that has followed has reaffirmed the inherent wisdom of what an earlier generation had learned from the Great Depression. But the rich have rarely if ever wielded as much power as they do today – and they can hire armies of think tanks, media outlets and clever commentators to spread their propaganda to a frequently ill-informed and gullible populace.

### **Lost Legacy**

As a result, today’s corporatist politicians on both sides of the aisle appear to have no memory of the real history, at least not a clear-eyed view of the pain that average Americans experienced before the New Deal.

Today’s politicians (and unfortunately, many mainstream journalists) seem to believe that the lessons of the New Deal have been swept into the historical dustbin marked “Old News, No Longer Relevant.” To them, history began with the presidency of Ronald Reagan, who “changed the trajectory of America,” as Barack Obama once noted.

While it’s true that Reagan did transform the United States, it was not in a good way for the average citizen. Over the past several decades, the United States has changed from a democratic republic based on a strong middle class into a plutocratic “Democracy Inc.” with billionaires manipulating a stressed, distracted and cynical population via massive investments in media, propaganda and political advertisements.

The consequences of the Reagan era’s heavy dose of “free market” capitalism proved again the point that effective government oversight is necessary to avert new catastrophes like Wall Street’s 2008 meltdown which cast millions of Americans out of their jobs and out of their homes.

Even with today’s modest recovery, the United States is living with the consequences of a realignment of wealth away from the middle class to the so-called “One Percent.” This modern Gilded Age contributed to the imbalance of the U.S. economy heading into the 2008 crash and further explains the wobbly climb

out of that abyss.

Thus, this anniversary of FDR's birth is a worthy moment to reflect on what America has learned and what it has forgotten. All Americans, but especially Democrats, need to remember this history.

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# An Israeli Insult to America

House Speaker Boehner arranged for Israeli Prime Minister Netanyahu to address Congress without clearing the move with the White House and with the clear intent to challenge President Obama's foreign policy, an unprecedented affront that calls for a reaction, says ex-CIA analyst Melvin A. Goodman.

By Melvin A. Goodman

Israeli Prime Minister Benjamin Netanyahu's acceptance of an invitation to address a joint session of the U.S. Congress in March is an unacceptable interference in our domestic political arena and must be challenged. It is simply not enough for the White House to indicate that there will be no meeting between President Barack Obama and the Israeli Prime Minister.

At the very least, the United States must take the next opportunity at the UN's Security Council to forswear a veto on a resolution critical of Israel as well as signal a significant change in U.S. military assistance to the Israelis. The Israelis must be made to understand that the United States, the only ally that Israel has in the global community, will not tolerate its anti-American behavior.

Anti-Americanism in Israel is not exactly a new development, although Netanyahu has been more stubborn than his predecessors in conducting the policy. In the 1950s, Israeli agents bombed a United States Information Agency library in Egypt and tried to make it appear to be an Egyptian act of violence in order to compromise U.S.-Egyptian relations. This was an act of terrorism designed to coerce the West not to improve relations with Cairo.

In the 1960s, the Israelis told the United States at the highest levels that it would not conduct a pre-emptive attack against the Arab states, which is exactly what it did in starting the Six-Day War. In the war's opening days, Israeli fighter planes bombed the USS *Liberty*, leading to the deaths of 34 American sailors. The Israelis claimed it was an accident. If so, it was the best planned "accident" that I have ever observed.

In the October War in 1973, the Israelis did their best to compromise a cease-fire that Secretary of State Henry Kissinger had carefully orchestrated with the Soviet Union. Israeli violations of the cease-fire led to Kissinger's threats to intervene in the conflict if Israeli forces did not cease their military operations.

Israel's invasion of Lebanon in 1982 and its war crimes against the Palestinians

led to the intervention of U.S. Marines, with terrible losses for the United States in the following year. Israeli war crimes in Gaza this past summer have added to U.S. problems in pursuing a peace process in the Middle East.

President Obama has put himself at a disadvantage in dealing with the Israelis at this juncture. He has the empathy to deal with both sides in the dispute, but lacks the tenacity of Kissinger or Presidents Jimmy Carter or Bill Clinton to put pressure on Israel or to give Palestinian statehood the priority it deserves. Even President George H.W. Bush was successful 25 years ago, when he halted loan guarantees for the building of Israeli settlements.

What should President Obama do? Since the United States has insufficient non-military tools of influence, it is time to use our military assistance as a source of leverage. The United States gives far too much military aid to Israel, which has not faced a serious military challenge from the Arab world since Egyptian President Anwar Sadat courageously concluded a peace agreement more than three decades ago. The Israelis, moreover, get generous terms for that aid that are not available to any other country in the world.

Over the past several years, Netanyahu has gone out of his way to embarrass virtually every U.S. official, including President Obama, Vice President Joe Biden, and Secretaries of State Hillary Clinton and John Kerry. There are Israeli officials who believe that Netanyahu has gone too far this time.

The only way to lend some credibility to our concerns and the concerns of those Israelis is to adopt a tougher stand on issues of concern. President Obama may find that there is more support than he expects, both at home and abroad for standing up to the intransigence of the Israeli Prime Minister.

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