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The War of Ideas in the Middle East

Should dual citizen of US/Israel be vice chair of our Federal Reserve Bank?

Philip Weiss (<http://mondoweiss.net/author/philweiss/>) on December 31, 2013 133 Comments (<http://mondoweiss.net/2013/12/citizen-federal-reserve/#comments>)



(<http://mondoweiss.net/wp-content/uploads/2013/12/Stanley-Fischer.gif>)

Stanley Fischer

Two weeks back, *Forbes* (<http://www.forbes.com/sites/samanthasharf/2013/12/11/stanley-fischer-reportedly-tapped-to-be-next-fed-vice-chairman/>) and CNBC reported that (<http://www.cnbc.com/id/101212050>) President Obama (<http://www.forbes.com/profile/barack-obama/>) plans (http://online.wsj.com/news/articles/SB10001424052702304477704579252330777945364?mod=WSJ_hps_LEFTTopStories) to nominate Stanley Fischer to be the next vice chairman of the Federal Reserve if the current vice chair, Janet Yellen, (<http://www.forbes.com/profile/janet-yellen/>) is confirmed by the Senate as Fed chairwoman in the new year.

This would be a giant sop for the Israel lobby: Fischer is the former head of the Bank of Israel.

Fischer, a dual-citizen of the U.S. and Israel, served as the head of Israel's central bank for eight-years before stepping down on June 30 of this year.

Fischer is disliked on the left because of his ruthless neoliberalism, as shown in [this documentary about the International Monetary Fund](#) (<http://www.youtube.com/watch?v=ZXNYA58-2zU>), where he was once an exec. But the dual nationality question is also in play. Matthew Yglesias [deemed Fischer extraordinarily well-qualified](#), (http://www.slate.com/blogs/moneybox/2013/12/11/stanley_fischer_fed_vice_chair.html) but did arch an eyebrow:

This is a bit of a surprising development if only because Fischer didn't seem to be seriously considered as a contender for the top Fed job. I figured that was either because Fischer wasn't interested in a government job or because the White House deemed him insufficiently American. If either of those were the case, it would seem to disqualify him for the vice chairmanship too.

Grant Smith pushes the issue, writing at [antiwar.com](http://www.irmep.org/fischer_aipac.htm) (http://www.irmep.org/fischer_aipac.htm) that American and Israeli people have different interests:

Appointing an openly dual Israeli-American citizen into the most important central bank in the world could be a watershed moment. While the doors of federal government have long swung open for Israel-lobby appointees focusing most—if not all—their energies on advancing the interests of a foreign state, any who were actually Israeli dual citizens have traditionally kept that a closely-guarded secret. Fischer's long-term boosters, including the American Israel Public Affairs Committee (AIPAC), likely want to accustom Americans to openly dual citizens circulating between top roles in the U.S. and Israeli governments. A closer examination of Fischer reveals that average Americans have good reason to oppose his appointment, because his lifelong achievements for Israel have imposed high costs and few benefits to the United States while making peace more difficult to achieve.

You'd never learn this in the New York Times; but in what may have been a preemptive strike, Smith says that after the appointment was rumored, Fischer made it clear that he can be critical of the Israelis. The event was a forum on Israel at NYU Law School [where Leon Wieseltier](http://www.law.nyu.edu/news/halbertal-beinisch-and-fischer-on-israel-from-the-inside-out) (<http://www.law.nyu.edu/news/halbertal-beinisch-and-fischer-on-israel-from-the-inside-out>) and Fischer and friends talked about the “miracle” of Israeli democracy. From [the Jewish Week](http://www.thejewishweek.com/blogs/political-insider/fischer-israel-not-doing-enough-find-peace) (<http://www.thejewishweek.com/blogs/political-insider/fischer-israel-not-doing-enough-find-peace>):

The highly respected former governor of the Bank of Israel, Stanley Fischer, told a New York audience the Netanyahu government is not doing enough to make peace with the Palestinians.

Israel is not seeking peace “to the extent that it should” and that it is “divided between those who want to settle the West Bank and those who seek peace,” Fischer told the forum on “Israel: the View from the Inside Out,” at NYU Law School's Center on Law and Security, Chemi Shalev reported in [Haaretz](http://www.haaretz.com/misc/article-print-page/.premium-1.561562?trailingPath=2.169%2C2.216%2C2.217%2C) (<http://www.haaretz.com/misc/article-print-page/.premium-1.561562?trailingPath=2.169%2C2.216%2C2.217%2C>).

Again, not in the American press, neoconservative [Seth Lipsky](http://www.haaretz.com/opinion/.premium-1.565997) quips in [Haaretz](http://www.haaretz.com/opinion/.premium-1.565997) (<http://www.haaretz.com/opinion/.premium-1.565997>) that the Yellen/Fischer double-play combination would put two socialist Zionists (formerly anyway) at the top of the Federal Reserve. Yellen is Jewish. I don't know about her Zionist bona fides, Lipsky fails to establish them.

Stanley Fischer, however, is the real thing. He joined Habonim as a youth in Zambia.

Antiwar.com headlined Smith's piece (<http://original.antiwar.com/smith-grant/2013/12/27/aipacs-fed-candidate-stanley-fischer-on-a-warpath-against-iran/>), "AIPAC's Fed Candidate Stanley Fischer on a Warpath Against Iran." It highlighted Fischer's role in pushing Iran sanctions at the behest of AIPAC:

As Bank of Israel governor, Stanley Fischer played a central role in coordinating the implementation of AIPAC-generated sanctions against Iran – ostensibly over its nuclear program. Stuart Levey, the head of the U.S. Treasury Department's division for "Terrorism and Financial Intelligence," an office created (<http://dissidentvoice.org/2008/09/from-irgun-to-aipac-israel-lobbys-us-treasury-follies-hurt/>) after heavy AIPAC lobbying, met often with Fischer in Israel alongside the Prime Minister, Foreign Minister and chiefs of both the Mossad and Shin Bet to explore how to "supplement" UN sanctions and end-run Russian and Chinese opposition.⁴ (http://original.antiwar.com/smith-grant/2013/12/27/aipacs-fed-candidate-stanley-fischer-on-a-warpath-against-iran/#footnote_3_52339) The Levey-Fischer strategy was "to work outside the context of the Security Council to engage the private sector and let it know about the risks of doing business with Tehran" particularly against European banks that had only partially drawn back their business dealings with Iran. In 2010, Israel dispatched Fischer to meet with Chinese and Russian "counterparts" in order to financially isolate Iran

And Smith was pointed on the Israel lobby issue–

If Americans were ever polled on it—and they never are—the majority who now object to increasing aid to Israel would also likely object to quasi-governmental and governmental positions being staffed by people who—by citizenship or sheer strength of identity politics—are primarily occupied with advancing Israeli interests rather than those of the United States. It is obvious that the real reason AIPAC and its economic luminaries such as Fischer never substantiate any of the advertised benefits the U.S.-Israel "special relationship" delivers to America in return for all of the costs is simple—there simply aren't any. As greater numbers of Americans become aware that the entire "special relationship" framework is sustained by nothing more than Israel lobby campaign-finance and propaganda networks, the harder the lobby will have to work... In the very short term, Americans can only fight such undue Israel lobby influence by again—like during the drive to attack Syria—staging a mass action to demand their senators reject Stanley Fischer's nomination

As someone who believes that dual loyalty can be an issue in the era of the nation-state, I'm with Smith here. I don't want a citizen of Israel (and a strong supporter of that militant country) in a U.S. policy-making position, and I think libs and lefts could get on board here. There's been lots of liberal press saying Ted Cruz's Canadian birth (<http://www.politifact.com/truth-o-meter/article/2013/aug/20/ted-cruz-born-canada-eligible-run-president/>) disqualifies him to be president. Why not some focus on the Fischer question?

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