

# US Aid to Israel

*"Israel has no more loyal friend than the United States. We couldn't have done it without her"*

Yitzhak Rabin

## US Aid: The Facts

- Israel and the US have a long-established special relationship. The US was the first country to recognise the establishment of the State of Israel in 1948.
- Israel is considered America's closest non-NATO ally in the Middle East, a region that is geopolitically crucial to the US.
- The close relationship between the two states is reflected in the volume of aid Israel receives from the US. Since World War II Israel has been the largest overall recipient of US aid: from 1949-2006 Israel received more than \$156 billion of direct US aid.
- Until 2003, Israel received approximately one-third of the annual US foreign aid budget. In 2005, the US gave Israel more than \$2.6 billion in

aid, a budget exceeded only by US aid to Iraq. By comparison, Jordan received \$683.6 million, Rwanda received \$77 million, and the Occupied Palestinian Territories received \$348.2 million.

- In the past, a majority of the direct US aid to Israel was via US Economic Support Funds (ESF). The US publicly states that ESF are given in order to support stability in areas strategic to the US. However, the recipient government completely controls how it spends these funds.
- The US also lends money to Israel, but these loans are frequently waived before any repayments are made. The Washington Report on Middle East Affairs has estimated that from 1974-2003 Israel benefited from more than \$45 billion in waived loans from the US.
- Direct US aid to Israel has significantly diminished since 1996 in order to reduce Israeli financial dependence on the US. Speaking to the US Congress in July 1996, Former Israeli Prime Minister Binyamin Netanyahu declared, *"We will begin the long-term process of gradually reducing the level of your generous economic assistance to Israel."*

## Political Support

- The US has a history of giving Israel direct political support. In 1972, the US prevented the adoption of UN resolution S/10784 paragraph 74, which condemned Israeli attacks against southern Lebanon and Syria. In order to do this, the US used its veto power in the Security Council for only the second time.
  - Since 1972, the US has used its veto power to prevent the adoption of 42 UN resolutions that condemned or severely criticized actions by the State of Israel.
- In 2006, for example, the US prevented the adoption of UN resolution S/878, which demanded a mutual ceasefire in the Gaza Strip.
- In 2002, former US Ambassador to the United Nations, John Negroponte, stated that it was US policy to denounce all UN resolutions that criticized Israel without also condemning "terrorist groups." This statement is now known as the Negroponte-doctrine.



A line of American-made Israeli F 15 fighter jets at an Israeli Air Force base.

## Military Aid

- Whilst US economic aid to Israel has diminished in the last ten years, the level of US military support to Israel has substantially increased. This includes financial military aid.
- Israel's military superiority is largely dependent on various forms of direct US support, including financial military aid and donations, weapons deliveries and technological support.
- Between 1996 and 2006, Israel received \$24 billion in financial military aid from the US.
- The major financial mechanism for military aid from the US to Israel is Foreign Military Financing (FMF). These grants are given to foreign governments in order for them to

buy US-manufactured weapons systems. Approximately 50% of the current FMF budget is designated to Israel. Israel has also been granted the privilege of spending 26.3% of its allocation, an unusually high percentage, on buying weapons produced by Israeli arms manufacturers.

- Economic Support Funds (ESF – see previous reference) are not specifically designated for military use. But as governments are unaccountable as to how they spend this money, ESF can also be considered indirect military aid.

- In August 2007, a new Memorandum of Understanding (MOU) on military aid was signed between Israel and the US. This MOU guarantees Israel \$30 billion in military aid via FMF over the next decade.

- As the closest US ally in the Middle East, Israel has privileged access to US military technology. Israeli research and development of weapons systems is often co-financed by the US. Joint military projects have been set up, such as the development of the Arrow Missile System, which has been operational since 2000.

- Israel values its relationship with the US, but nonetheless has exported US military technology to China against the interests of the US. Military equipment is one of Israel's

most important export products, with a net estimated value of \$4.4 billion in 2006.

- For China, Israel is a backdoor to access advanced western military technology. For example, in 1996 Israel exported the US Airborne Early Warning (AEW) system to China, and, in 2005 attempted to sell China the Harpy Killer anti-radar system.

## Israel is a Nuclear Power

- Although never officially confirmed by either Israel or the US, it is widely known that Israel has developed nuclear weapons. In 1986, Mordechai Vanunu exposed Israel's nuclear program. (see box)

- The number of Israeli nuclear bombs produced in the Dimona nuclear research centre in the Negev Desert is estimated at 200.

- Israel has never signed the 1968 Nuclear Non Proliferation Treaty.

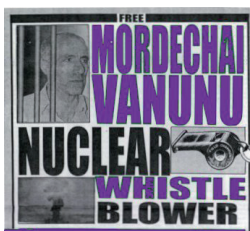
- Both the US and Israel have an unofficial policy of silence regarding Israel's nuclear capacity.

- Israeli Prime Minister Ehud Olmert confirmed that Israel possesses nuclear weapons in a 12 December 2006 interview with the German TV channel Sat.1. He said that Iran aspires "to have nuclear weapons, as America, France, Israel and Russia".

## The Vanunu case at a glance



Front page of the British 'Sunday Times' on October 5, 1986: "Revealed: the secrets of Israel's nuclear arsenal."



Poster for the liberation of Vanunu. An international solidarity campaign began after his abduction in 1986.

In 1986, Israeli nuclear technician Mordechai Vanunu leaked information and photographs about Israel's nuclear program to the British Sunday Times newspaper. Whilst in London exposing Israel's nuclear industry, Vanunu was invited to Rome by an undercover female Mossad agent.

When he arrived in Italy he was kidnapped by Mossad and taken back to Israel for trial. In 1988, Vanunu was sentenced to 18 years in prison. He endured more than 11 years of solitary confinement before being released in 2004.

He remains under house arrest.

## US aid to Israel violates US laws

- US aid to Israel, and the way in which this aid is used, frequently violates US law, policy and interests.
- Under US policy, financial aid to Israel should not be spent by Israel in the Occupied Territories. But Israel spends US aid with impunity.
- The US has a number of laws regulating foreign military aid and weapons' exports. The 1961 Foreign Assistance Act (FAA) states that "No assistance [ought to be given] to countries that violate human rights". But Israel systematically violates human rights in the Occupied Palestinian Territories.
- The 1976 US Arms Export Control Act (AECA) states that "Weapons purchased from the US should only be used for legitimate self-defense". But since September 2000 the Israeli military has killed more than 3,354 Palestinian civilians (as of 8 August 2007).