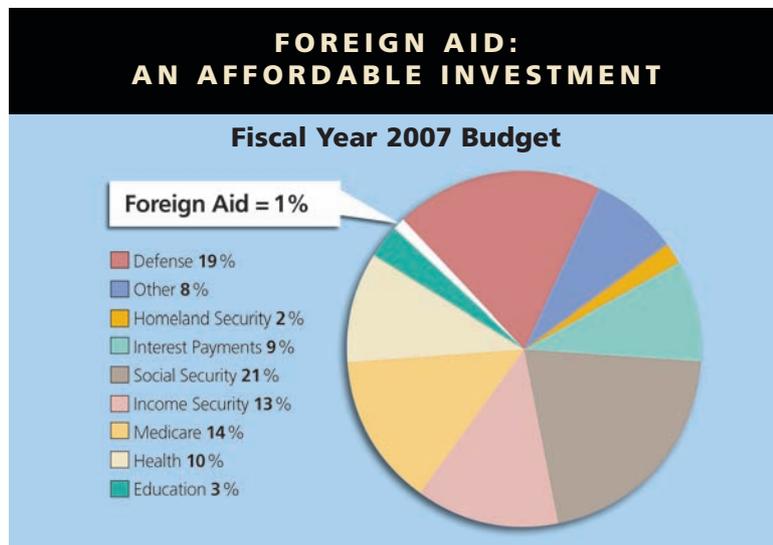


U.S. Aid to Israel

“I have always fought for the vital economic and military assistance that Israel needs—not only because it is in Israel’s interest, but because it is in America’s interest.”

—Speaker of the House Nancy Pelosi (D-CA)



For decades, presidents and lawmakers from both parties have strongly backed foreign aid and recognized its vital role in promoting U.S. foreign policy goals abroad. This is especially true in the Middle East, where aid to Israel serves to bolster a reliable U.S. ally in a volatile and critically important region.

For this reason, military and economic aid to Israel has long remained a cornerstone of U.S. foreign policy and a cost-effective way of serving America’s national-security interests in the Middle East. Foreign aid is an investment that the United States can afford to make. At just one percent of the federal budget, America’s total foreign aid expenditures provide the United States with the tools to pursue an active and engaged foreign policy.

Aid to Israel Strengthens America and Reinforces U.S. Policy

Foreign aid to Israel is the most tangible indicator of ongoing U.S. support for the Jewish state and is a key factor in helping Israel remain strong and vibrant. Strengthening America’s ally through foreign aid also serves as one of the driving forces in shaping a region—dominated by unstable, non-democratic regimes—that

remains of vital strategic importance to the United States.

American assistance enables Israel to confront serious threats to its security such as terrorism, weapons proliferation and economic and political instability. Israel, in turn, shares with the United States its expertise and technology, contributing to our efforts to combat common enemies and protect our troops and homeland. Israel also helps counter the proliferation of dangerous weapons that threaten both nations.

Foreign Aid Increases the Prospects for Middle East Peace

Moving forward, U.S. aid will consist entirely of military assistance that helps the Jewish state maintain its qualitative military edge over potential adversaries. This advantage is the key to the survival and deterrent capabilities of Israel, whose defense budget is dwarfed by the combined military spending of the Arab states and Iran.

By signaling the United States’ unshakeable support for Israel, American assistance helps increase prospects for peace by deterring Arab states from attacking Israel. Convinced that conflict with Israel was doomed to failure, two Arab states

(Egypt and Jordan) concluded peace treaties with Israel. Foreign aid also gives Israel the confidence it needs to take risks for peace.

Aid to Israel Benefits the United States

Aid to Israel also has direct strategic benefits for the United States.

Israel stands shoulder to shoulder with America in fighting terrorism and countering the proliferation of weapons of mass destruction. It has also helped the U.S. military by sharing invaluable intelligence and contributing important defense technologies that have played key roles in saving the lives of American soldiers, most recently in Iraq and Afghanistan.

The United States also prepositions hundreds of millions of dollars worth of military equipment, including spare parts, trucks, ammunition and armor in Israel. This equipment can be used by U.S. or Israeli forces in times of crisis.

Additionally, more than 75 percent of American military aid to Israel is spent by the Jewish state within the United States, helping create jobs across the country, boosting American exports and opening overseas markets to U.S. businesses.

SOLID INVESTMENT:

How Aid Benefits Israel and the United States



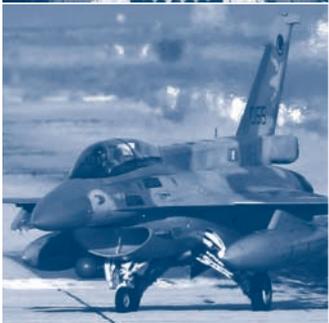
Defense Expertise

Joint U.S.–Israeli strategic cooperation helps develop new technologies for protecting Americans and Israelis.



Signal of Support

Assistance shows Israel's adversaries that American commitment to the Jewish state is unwavering.



Qualitative Edge

American aid helps Israel maintain military superiority and counter the great disparity in defense spending by Arab states and Iran.



Industry Boost

The bulk of U.S. military aid is spent by Israel on procuring American defense products.

The Foreign Aid Bill Contains Key Policy Provisions

The foreign aid bill goes far beyond simply providing monetary assistance to the Middle East's only Western-style democracy. The aid packages that Congress approves for Israel have also traditionally included a number of important provisions that impact or reinforce U.S. Middle East policy. Lawmakers have used the aid bills as vehicles to press the Palestinian Authority to live up to its obligation to crack down on terrorism, impose oversight mechanisms on Palestinian aid to ensure that it is spent properly and call for an end to the Arab League's boycott of Israel.

By earmarking the aid to Israel each year, Congress ensures that the funds requested by the president are provided to America's closest ally. The fiscal year 2007 foreign aid bill contained \$21.3 billion, including Israel's aid package, which consisted of \$2.34 billion in military aid, \$120 million in economic assistance and \$40 million to assist Israel in absorbing refugees.

The American assistance package can be obtained by Israel within 30 days of the foreign aid bill's enactment, a provision extended only to Israel that enables it to

make maximum use of the assistance. Israel is also permitted to spend a percentage of its aid on military technologies it develops domestically.

By approving the foreign aid bill annually, and earmarking the critical funds for Israel, Congress reaffirms the strength and vitality of the U.S.–Israel relationship, boosts the American economy and helps to fulfill our nation's foreign policy objectives in the Middle East.

“Aid to Israel is vital to the security interests of the United States. It ensures that one of America's closest allies has the tools it needs to survive in one of the world's toughest neighborhoods.”

—Senate Republican Leader
Mitch McConnell (R-KY)

Key Points

- Foreign aid is a cost-effective means to project U.S. leadership and protect American interests around the globe.
- The sum of all U.S. foreign aid programs makes up just 1% of the overall federal budget.
- Foreign aid to Israel is the most tangible indicator of ongoing U.S. support for the Jewish state, providing crucial military and economic support to the United States' most reliable ally in the Middle East.
- Foreign aid to Israel promotes peace in the Middle East by helping convince Arab states that there is no alternative to peace negotiations with Israel.
- Earmarking aid to Israel ensures that funds are provided to America's closest ally.
- The foreign aid bill also serves as an important vehicle for provisions that help maintain American support for the Jewish state and reinforce U.S. policy in the Middle East.