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Washington sources: Israel in race for more aid

Israel seeks to secure a further \$500 million military aid before President Bush leaves office.

Ran Dagoni, Washington 12 Feb 07 13:09

Israel is hurrying to reach a new agreement with the US for a substantial increase in military aid, sources in Israel and the US have told "Globes". At the strong urging of incoming IDF Chief of Staff Lt.-Gen. Gabi Ashkenazi, Israel is trying to reach an agreement in 2007, a year before US President George W. Bush leaves office.

Former Israeli Ambassador to Washington Daniel Ayalon told "Globes", "I believe that a new agreement will be reached replacing the current aid agreement, which expires in 2008. When I completed my term, I advised the government to anchor the request for a new aid package, increasing military aid to up to \$3 billion; \$2.9 billion to be precise. In other words, an increase of \$500 million a year," Ayalon completed a four-year term as ambassador last summer and now serves as chairman of [Nefesh B'Nefesh - Aliyah: Live the dream.](#)

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"Why this figure? Because a request for \$2.9 billion will be more acceptable than a request for \$3 billion. In supermarkets, you see that prices are rounded downwards, from \$10 to \$9.99, and that was the logic guiding me."

Ayalon stressed that this was only a proposal, and that Israel could ask the US for completely different amounts. He believes that a joint US-Israeli team will soon be established to review US aid to Israel in view of Israel's needs and US budget constraints. "Obviously, we won't get everything we ask for. We must be realistic," he said.

An Israeli team headed by Prime Minister's chief of staff Yoram A. Turbowicz, and including representatives of the Ministries of Finance and Defense and the National Security Council, will coordinate aid talks with the US.

US military aid for Israel in the 2008 fiscal year, which begins on October 1, 2007, totals \$2.4 billion. There will be no civilian aid, under a 1997 agreement that cut civilian aid by \$120 million a year until it was eliminated in the 2008 fiscal year, while military aid was increased by \$60 million a year up to a ceiling of \$2.4 billion a year.

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Ayalon and other sources said that, in order to reduce any possible US shock at an Israeli request for an extra \$500 million in military aid a year, Israel should propose a gradual increase of \$50 million a year over a ten-year period.

Ayalon said, "I've spoken with many officials in Washington, who gave me the impression that there was something to talk about. Israel has legitimate arguments related to its security."

Israeli sources and US supporters of Israel agree that the time to act is now. Bush is the most pro-Israeli president ever to occupy the White House. The Bush administration is knowledgeable about aid negotiations with Israel. Everyone running for president, Democrats and Republicans alike, are considered strong supporters of Israel. None of them will challenge Bush for increasing aid to Israel during their election campaigns, where the Jewish vote is important. Continuity is also important. Israel should avoid creating a gap of a year or two without an aid agreement. Such a development could expose Israel to pressures arising from random events in the Middle Eastern political arena, as has happened before.

In February 2008, Bush will submit his budget proposal for the 2009 fiscal year to Congress. This will be his last budget proposal, and Israeli sources believe that an aid agreement with US will be included in it. Israel must therefore hurry - it has less than a year.

Ayalon advises that a new aid package should not rely entirely on grants, but include other possible components, such as increased aid for joint R&D, especially for anti-missile programs and upgrading the Arrow anti-ballistic missile; increasing Israeli defense exports, especially for systems such as the Arrow, which combines US money and know-how, to third countries; and increasing defense exports to the US.



He said, "There is room to expect that the US will lift its objections to the marketing of the Arrow to countries facing ballistic missile threats. At the same time, Israel should expect the US to open its markets to Israeli products on the basis of collaboration between US and Israeli companies.

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