

Record US Aid Goes on Armaments

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WASHINGTON: Just before Christmas, US President Barack Obama signed into law one of his country's biggest aid pledges of the year. It was bound not for Africa or any of the many struggling countries on the World Bank's list.

It was a 10-year deal for \$US2.77 billion (\$A3.1 billion) to go to Israel in 2010 and a total of \$US30 billion over the next decade, mainly to be spent on US military hardware.

Despite the serious financial crisis in the US economy, the US is proceeding with its increased aid package to Israel.

Israel is bound by the agreement to use 75 per cent of the aid to buy military devices made in the US — and in a recession, those military factories are critical to many towns.

For the first time the US is also providing \$US500 million to the Palestinian Authority, including \$US100 million to train security forces, under the strict proviso that the authority's leadership recognises Israel.

For many years Israel has been the largest recipient of the US foreign-aid budget, followed by Egypt (\$US1.75 billion) which also receives most of its assistance in tied military aid.

According to work done by the Congressional Research Service, the US spent 17 per cent of the total US aid budget — or \$US5.1 billion — on military aid in 2008, of which \$US4.7 billion was grants to enable governments to receive equipment from the US.

The lion's share of political and strategic aid to Iraq and Afghanistan comes from separate funds and from the defence budget.

Between 2003 and 2009, a massive \$US49 billion has been poured into Iraq through the Iraq Relief and Reconstruction Fund and the defence budget. The Afghanistan program over the same period consists of \$US11 billion in traditional foreign aid and another \$US15 billion in defence funds.

Under the Obama Administration, the 2010 aid budget has been increased by 10 per cent to nearly \$US50 billion to support his counter-terrorism strategy.

The big increase is in assistance to Pakistan, which was recently given an additional \$US1.5 billion a year for the next five years, tripling its aid.

The author of the bill, Senator John Kerry, said it would "build a relationship with the people [of Pakistan] to show that what we want is a relationship that meets their interests and

needs”.

But officials at the US embassy in Islamabad have alleged that Pakistan has diverted elsewhere 70 per cent of the \$US9 billion in military assistance paid since 2001.

Meanwhile, the Obama Administration is finding that other expensive fronts in the war on terrorism are emerging, the latest being Yemen. In the 2010 fiscal year, US development and security assistance to Yemen is expected to rise to \$US63 million from a total of \$US40.3 million in 2009, a 56 per cent increase.

But these sums do not include so-called 1206 Pentagon counter-terrorism funds. In 2009 Yemen received \$US67 million of those, up from just \$US5 million.

After the events of the past week, it seems certain that countries like Yemen could receive significantly more in 2010.

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