

# Promoting Peace? Reexamining U.S. Aid to the Palestinian Authority Part II

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## Hearing on Promoting Peace? Reexamining U.S. Aid to the Palestinian Authority Part II

Madam Chairman and Members of the Committee:

It is an honor and a privilege to return here again to testify before the Committee.

Your topic today could not be more timely, for given the changes in the Middle East our aid to the Palestinian Authority should indeed be reexamined.

Aid to the PA has been extended in the hope that we are, as the title of the hearing suggests, promoting peace. Certainly in the years since the death of Yasser Arafat our aid has done so. We have helped promote Israeli-Palestinian cooperation, and helped Palestinians who would rather build up their own state than curse their neighbor. I could spend a good deal of time listing the many achievements of our aid programs and the good they have done, both directly and by supporting the PA's positive efforts once real reform began.

There are reasons, however, to take another look at the program, and obviously one of them is the coming UN vote on Palestinian statehood. That maneuver in New York by the PLO leadership suggests that they are turning away from both direct negotiations with Israel and from state-building at home and toward confrontational melodramas in Turtle Bay. The United States has been trying to get the Palestinians to the negotiating table for over two years now

without success. But President Abbas instead seems determined to do something entirely different: he seems most concerned about his legacy. Today he is the man who lost Gaza. So he wants a UN declaration about Palestinian statehood, and he wants his unity deal with Hamas, and then presumably he thinks he can leave the scene saying there is national unity and progress toward statehood. This is a disastrous course for the Palestinian people. Like Haj Amin al-Husseini, who led the Palestinians in the first half of the twentieth century into support for Hitler, and Yasser Arafat, who in the second half led them into terrorism, he will be going down a dark alley.

You therefore face a real problem: what is to be done about our aid program if the PLO leadership, which is also the Fatah Party leadership, insists on going forward against all American advice? What should change if the PLO insists on getting itself declared a non-member observer state by the General Assembly?

First I would respond that something must. Members of Congress have warned against this step in New York and said there would be consequences, and you should be as good as your word.

Second I would say the best response is not to zero out all aid to the PA. Some programs are very much in our own interest and Israel's, such as the security programs. Defunding them right now would make life harder for Israelis and Palestinians alike. Nor do I favor generally cutting off the PA, for several reasons. The entire PA (as opposed to the Fatah and PLO leadership) is not to blame for what the PLO/Fatah crew is planning in New York. A collapse of the PA would not be in our interest nor in Israel's or for that matter Jordan's. In fact it might benefit only Hamas and other extremist and terrorist groups.

So what actions might you take, then, that are in my view better responses?

I have four suggestions.

First, wait and see what Abbas and the PLO top brass do in and after the vote. Do they go to the Security Council to force an American veto? If so they will be deliberately seeking a confrontation with the United States and deliberately making things difficult for us in the region. Then there is the language of the resolution they put forward: is it as limited as possible, or do they seek to have the General Assembly pronounce on issues like borders and refugees and Jerusalem? If they do the latter they largely foreclose the chances for negotiations, for how will any Palestinian leader be able to accept less when he sits down with Israel than he has already gotten at the UN?

And what happens after the vote? If they then say, well now we have our symbolic victory and now we want to go to negotiations, without preconditions, obviously that positive move should be met with approval. It is more likely to happen if they know you are waiting and watching. On the other hand if they move immediately to create large and dangerous demonstrations, and immediately rush off to the International Criminal Court to demand prosecutions of Israeli officials, it will be obvious that they want confrontation not peace. And they should know what that means for aid levels. But keeping some of your powder dry is probably a good idea.

Then there is Hamas. You have said aid would be ended if they really consummate a unity deal with Hamas. If all aid has already been ended, that pressure point will be removed. It's another reason to allow some aid flows to continue until we see what game the PLO leaders are really playing.

Second, I urge you to move after the vote to close the PLO office in Washington. Right now it operates under a presidential waiver of the 1987 law that ordered it closed, a waiver that has been granted every six months for decades. A waiver is necessary because of the PLO's long involvement in terrorism under Arafat. Close that office. The logic is that if the PLO has rejected American advice and insisted on the UN declaring it a state, then there

is no need to allow the PLO to continue here. The PLO leadership will be saying it wishes to disappear, so let's cooperate and allow them to do so here in our capital.

Third, start ending our aid to UNRWA. As you know, the world was awash in refugees after the Second World War and all of those refugees have been settled and absorbed—except the Palestinians. While Israel happily took in Jewish refugees from all over the world, and not least the Arab world, Arab countries continue to keep Palestinians in refugee status without citizenship or rights. UNRWA helps perpetuate this calamity. Every other group of refugees is handled by the UNHCR, the UN High Commissioner for Refugees. UNHCR says its objective for refugees is as follows: “our ultimate goal is to help find durable solutions that will allow them to rebuild their lives in dignity and peace. There are three solutions open to refugees where UNHCR can help: voluntary repatriation; local integration; or resettlement to a third country in situations where it is impossible for a person to go back home or remain in the host country.”

Compare what UNRWA says: “UNRWA (the United Nations Relief and Works Agency for Palestine Refugees in the Near East) provides assistance, protection and advocacy for some 5 million registered Palestine refugees in Jordan, Lebanon, Syria and the occupied Palestinian territory, pending a solution to their plight.” Pending a solution—in other words, it does nothing to advance the solution and instead perpetuates refugee status forever. For UNRWA adds this note: “The descendants of the original Palestine refugees are also eligible for registration. When the Agency started working in 1950, it was responding to the needs of about 750,000 Palestine refugees. Today, 5 million Palestine refugees are eligible for UNRWA services.” So every other refugee problem has diminished over time; only in the case of UNRWA and the Palestinians does it grow, automatically, year after year. And we are complicit in that undertaking.

I realize that this hearing is predominantly about aid to the PA, but that aid comes in a context—and the context is a UN agency perpetuating the refugee problem forever. So UNRWA is my third point.

Fourth, take a far tougher line on PA and PLO corruption. I have the highest regard for Prime Minister Fayyad and I believe he is a completely honest official, so this is not a criticism of him. But he is surrounded by a Fatah/PLO crew that was thoroughly corrupt when Arafat was alive and I do not believe they have eliminated corruption since. In fact, since 2006 the very large Palestine Investment Fund or PIF has been out of Fayyad's control, and there are plenty of allegations about corruption in its activities and about self-dealing by its board. You don't have to spend much time in Ramallah to hear more allegations about growing corruption at the highest levels.

Given the amounts you have over time authorized for the Palestinians, you have the absolute right to demand better accounting, an investigation of the PIF, and far more U.S. government pressure to stop the corruption U.S. officials will privately acknowledge exists. It is a good way of telling the PLO officials that their caper in New York was a serious mistake and that they will pay a price for it.

Madam Chairman, you face a difficult set of issues here. All of us want an Israeli-Palestinian peace and want the Palestinians to be able to build up the institutions they will someday need to establish a decent and democratic state. Our aid programs help in that work. Ending them can set back those efforts. But the PLO leadership should know that if they turn from that work and from genuine negotiations with Israel, you are determined that they will pay the price. And in that determination, you are right.

Thank you again for this opportunity to appear before the Committee.