

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

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James Phillips
Senior Research Fellow for Middle Eastern Affairs
Douglas and Sarah Allison Center for Foreign Policy Studies
The Heritage Foundation

My name is James Phillips and I am the Senior Research Fellow for Middle Eastern Affairs at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Since the signing of the 1993 Oslo peace accords, the U.S. has showered over \$4 billion in bilateral aid on the Palestinians, who are one of the world's largest per capita recipients of international foreign aid. From FY 2008 until this year, annual U.S. bilateral aid to the West Bank and Gaza has averaged over \$600 million, according to the Congressional Research Service. In FY 2011, this bilateral aid is set at \$550 million, including \$400 million in Economic Support Funds and \$150 million for training and equipping Palestinian Authority security forces.

U.S. aid to the Palestinians is aimed at supporting Israeli-Palestinian peace negotiations, strengthening and reforming the Palestinian Authority, which was created through those negotiations, and improving the living standards of Palestinians to demonstrate the benefits of peaceful coexistence with Israel.

These are laudable goals, but unfortunately peace negotiations have bogged down. Even worse, the Palestinian Authority has reached a rapprochement with Hamas, the Islamist extremist organization with a long record of terrorism, which not only is opposed to peace negotiations with Israel, but remains implacably committed to Israel's destruction.

The Palestinian Authority's relationship with Hamas and its ongoing efforts to include Hamas in a ruling coalition under a May 2011 power-sharing agreement raise disturbing questions about the long term intentions of the Palestinian Authority and casts doubt on its commitment to negotiate a genuine peace with Israel. By consorting with Hamas terrorists, the Palestinian Authority is violating the Oslo accords and destroying the rationale for continued American aid.

Palestinian leader Mahmoud Abbas also has chosen to pursue a dubious dead-end path to Palestinian statehood through the United Nations, rather than through negotiations with Israel. This U.N. diplomatic gambit could derail any hope of resuming Israeli-Palestinian peace negotiations in the future and could destabilize the region by exacerbating the already tense

atmosphere of Israeli-Palestinian relations and provoking widespread anti-Israel demonstrations that easily could spin out of control.

Palestinian leaders have called for popular demonstrations in support of their U.N. statehood campaign on September 20 and President Abbas is slated to address the U.N. General Assembly on September 21. Although the precise text of what the Palestinians will demand at the U.N. has not been divulged, it is expected to request U.N. endorsement for unilateral Palestinian statehood and the elevation of the Palestinian delegation to the status of a U.N. member state.

The Palestine Liberation Organization (PLO), the dominant organization within the Palestine Authority, has enjoyed observer status in the General Assembly since 1974. This entitles it to a seat in the General Assembly and allows it to speak at meetings, but it cannot vote. In 1988 the PLO delegation was formally designated “Palestine” under the terms of General Assembly Resolution 43/177, which acknowledged the Palestinian declaration of statehood in November 2008 and granted the delegation the privilege of having its communications issued and circulated as official U.N. documents.

If the Palestinian statehood gambit is blocked at the Security Council as expected, the Palestinians will push for formal General Assembly recognition of Palestine as a state and added rhetorical support for that claim through the elevation of the status of the Palestinian delegation from a non-voting observer “entity” to that of a non-member state observer. A large majority of the General Assembly’s 193 member states are likely to support the Palestinians’ unilateral statehood agenda, consistent with that body’s longstanding anti-Israel bias. As Ambassador Dore Gold, Israel’s former U.N. ambassador has noted: “If there was a resolution whose first clause was anti-Israel and whose second clause was that the earth was flat, it would pass.”

But the General Assembly has no authority to unilaterally grant full U.N. membership. It cannot override the U.N. Charter, which specifically requires a Security Council recommendation before admitting a new member state. Moreover, the U.N. role in state recognition is nonexistent beyond being a reflection of the sovereign decisions of the member states and General Assembly resolutions are not legally binding on U.N. members.

Thus, a General Assembly vote on the issue, absent a Security Council recommendation, is merely symbolic. But it is a dangerous symbolism in so far as it convinces Palestinians that they need not negotiate with Israel and can instead achieve their goals unilaterally.

The Palestinian delegation would undoubtedly exploit their enhanced status in the General Assembly as a “non-member state” observer to argue that Palestine is a sovereign state. Such enhanced status would better enable the Palestinian Authority to gain greater latitude in harnessing the U.N. machinery to launch spurious diplomatic, political and quasi-legal challenges to Israel. For example, the Palestinian delegation would use this argument to bolster its efforts to gain membership in other U.N. bodies and organizations or use its new status as evidence of its right as a “sovereign state” to invite the International Criminal Court to investigate alleged crimes committed by Israel in the West Bank or Gaza.

In addition, a pro-statehood vote in the U.N. General Assembly could destabilize the region by giving cover to anti-Israel forces bent on the destruction of the Jewish state, undermining peace efforts, and triggering a downward spiral in Israeli-Palestinian relations by inflaming Palestinian demonstrations that could easily degenerate into violent clashes.

The PLO already claims that it established a “state” in 1988, so it would appear that it has little to gain in its current statehood campaign except for greater leverage to undermine Israel’s perceived legitimacy at the U.N. Israel has been a U.N. member state since 1949 and in fact was established after the U.N. endorsed the partition of the British Mandate for Palestine, which Israel accepted but the Arab states rejected, opting instead to attempt to invade and destroy Israel. To ignore the U.N.’s initial support for Israel’s creation and to permit the body to be co-opted in a politicized effort to delegitimize Israel at the behest of an organization that is partnered with a terrorist group would turn the U.N.’s founding principles upside down.

The Palestinian push for unilateral statehood also will deal a major setback to Israeli–Palestinian peace prospects. Such a unilateral move by the Palestinian Authority would violate previous Israeli–Palestinian peace accords, amplify Israeli concerns about Palestinian abandonment of diplomatic commitments, and discourage Palestinians from making the hard compromises necessary to negotiate a genuine and lasting peace.

The Palestinians’ unilateral statehood gambit is a breach of the Oslo accords which bar both parties from unilaterally changing the status of the West Bank and Gaza. A unilateral declaration of statehood would also undermine all internationally accepted frameworks for peace, including past U.N. peace efforts. It would violate U.N. Security Council Resolution 242 and the U.N.-sponsored Road Map for Peace, as well as other U.N. statements that call for the creation of a Palestinian state and delineation of borders through a negotiated mutual agreement, not through unilateral declarations.

An endorsement of Palestinian statehood by the General Assembly would compound the negative impact on peace prospects by reinforcing the Palestinians’ maximal demands for territory and short-circuiting possible future negotiations on this issue. The text of the resolution is expected to endorse Palestinian demands for a return to Israel’s pre-1967 “borders” (in reality the 1949 armistice lines). This will make it much harder for Palestinian leaders to compromise on this issue in the future, an outcome that is likely to derail peace negotiations because no Israeli government would accept a return to what former Israeli Foreign Minister Abba Eban derided as “Auschwitz lines.”

The unilateral Palestinian push for statehood not only violates previous Palestinian agreements with Israel but also those with the United States, which was a co-signatory of the Oslo accords. Yet the Obama Administration has bent over backwards to avoid criticizing the Palestinian Authority. President Obama made it clear that the U.N. was not an appropriate venue for addressing the statehood issue in his May 19 speech on Middle East policy, but he stopped short of threatening a veto. It was not until the September 7th confirmation hearing of Wendy Sherman, the administration’s nominee for the post of Undersecretary of State, that an administration official publicly and unequivocally stated that the administration would use the veto, and this came only in response to a question.

This low key, reticent approach has failed to halt the Palestinian U.N. drive for unilateral statehood. It is long past time for the Obama Administration to become proactively engaged on this issue at the highest levels. Secretary of State Clinton, and the President himself, should explicitly and forcefully state American opposition to Palestinian plans to seek statehood through unilateral action rather than through bilateral negotiations with Israel. They should explicitly state that the U.S. will veto any Security Council resolution recognizing Palestinian statehood or calling for full membership in the U.N. before an Israeli-Palestinian peace agreement is concluded.

The only legitimate route to Palestinian statehood is through bilateral Israeli-Palestinian negotiations. Yet Palestinian Authority President Mahmoud Abbas has permitted only two weeks of negotiations during September 2010 since the beginning of the Obama Administration. Washington should press Abbas to drop his refusal to negotiate unless Jerusalem first meets his demand for a settlement freeze. This demand, unfortunately encouraged by the Obama Administration's own shortsighted focus on settlements during its early months, is not supported by the terms of the Oslo accords.

The United States should also declare that it will withhold voluntary or assessed funds to any U.N. organization that admits Palestine as a state or grants it nonmember state observer status. In 1988, after the PLO issued its first "declaration of statehood" and sought to gain membership in U.N. organizations, such as the World Health Organization, to bolster their claims of statehood, the first Bush Administration blocked this effort by threatening to withhold U.S. funding for the United Nations. Secretary of State James Baker publicly warned that the U.S. would cut funding to any international organization which made changes in the PLO's status as an observer organization.

While the Obama Administration's deference to the United Nations and its "lead from behind" proclivities make such a strong stand unlikely, Congress can step into the breach and pass legislation prohibiting funding to any U.N. organization that endorses unilateral Palestinian statehood, admits Palestine as a member state or grants it non-member state observer status.

Congress should also cut U.S. economic aid to the Palestinian Authority if it continues to shun negotiations with Israel and ignore its commitments under previous agreements. U.S. aid is not an entitlement and should be closely tied to the Palestinian Authority's performance in demonstrating its commitment to peace.

If Palestinians persist in their efforts to sidestep direct negotiations with Israel in favor of some form of illusory "statehood," then they should expect to look elsewhere for funds to build that pseudo-state. The Palestinian Authority recently announced that it will pay only half wages to its employees in September, the second time in three months that it has been forced to cut pay, because of a huge shortfall in funding pledges from Arab states. This could lead Palestinian leaders to think twice before putting their financial future in the hands of unreliable Arab governments who are more interested in using the Palestinian issue as a means of attacking Israel than they are interested in building a Palestinian state.

I would recommend that U.S. aid for Palestinian security forces be continued only if the Israeli government certifies that those security forces continue to play a positive role in fighting terrorism in compliance with the Palestinians' Oslo commitments. Bilateral security cooperation between Israeli and the Palestinian Authority security forces reportedly has been improved in recent years despite continued strains between the political leaderships. The Palestinian Authority security forces could still play a valuable role in maintaining public order during the impending Palestinian demonstrations and combating Hamas terrorists in the West Bank. But if the Palestinian Authority implements its power-sharing agreement with Hamas and forms a joint government, then this security aid also must be ended, by law, to prevent U.S. funds from being diverted to terrorists.

The bottom line is that the United States must block any effort to create a Palestinian state that sponsors terrorism or seeks to make an end run around negotiations with Israel by exploiting the anti-Israeli bias of the U.N. General Assembly. U.S. aid to the Palestinian Authority should be closely tied to its compliance with previous agreements to fight terrorism, halt incitement against Israel and negotiate a final peace settlement. The United States should leverage its aid to convince Palestinians that the only realistic path to a Palestinian state is through direct negotiations leading to a peace treaty with Israel.

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