

# Trump unlikely to carry out threat to cut US aid to Palestinians



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**Brewing backlash.** A worker takes a box containing sanitation kits and soap provided by the US Agency for International Development (USAID) in Gaza City. (AFP)

Despite threatening to cut aid to the Palestinians in response to their sharp criticism of his decision on Jerusalem, US President Donald Trump may not carry through with it because of opposition from an unlikely source: Israel.

Trump's style as a businessman was to hit back hard whenever he was challenged. In practice, this meant filing counter lawsuits whenever someone sued him and relentlessly attacking those standing in his way.

He has taken this practice to the international political arena, most notably after UN Security Council and UN General Assembly resolutions that condemned his decision to recognise Jerusalem as Israel's capital. He and US Ambassador to the United Nations Nikki Haley threatened to cut aid to countries that voted against the US decision – the overwhelming majority of countries in the world.

Trump, however, had special ire

against the Palestinians, who not only criticised his decision on Jerusalem but declared that, because of it, Washington could no longer be considered an honest broker in the peace process.

Some Trump administration officials said they expected a “cooling off” period in the peace process following the Jerusalem decision but seemed surprised by the ferocity of the criticism.

Long-time adviser to the Palestinian Authority (PA) and PLO Secretary-General Saeb Erekat stated: “So, Mr Trump, your art of the deal. What's left to negotiate? You are moving from negotiating to dictating and then you are threatening us if we don't accept your dictations.”

Nabil Abu Rudeineh, spokesman for PA President Mahmoud Abbas, said: “Jerusalem and its holy places are not for sale, not with gold nor silver.”

What added fuel to the fire was that not only was Trump's decision on Jerusalem praised by Israeli Prime Minister Binyamin Netan-

yahu and his right-wing cabinet but a law was passed that would make any future Israeli decision on Jerusalem subject to a supermajority (80 votes out of 120) in parliament. The measure allowed for the reconfiguration of the boundaries of Jerusalem to possibly exclude Palestinian neighbourhoods.

In response to Palestinian anger, Trump threatened in a Tweet: “We pay the Palestinians millions of dollars a year and get no respect. With the Palestinians no longer willing to talk peace, why should we make any of these massive future payments to them?”

The amount of US aid to the Palestinians was about \$650 million in 2016, including funding of the UN Relief and Works Agency (UNRWA), Palestinian administration and security forces and US Agency for International Development (USAID) projects. While the amount pales in comparison to the more than \$3 billion the United States gives Israel annually, Trump's tweet stirred debate within Israel itself.

Many Israeli security officials said that a cut-off of US funds for the Palestinians would do more harm than good because it would weaken the PA, giving extremists a victory. An unidentified Israeli security official told the Washington Post that cutting US aid would “end up making the Palestinian leadership even weaker” and added that, if the Palestinian Authority collapses, “then there really would be no one to talk to or rely upon.”

While some Israeli officials, including Netanyahu, want the United States to stop funding UNRWA, others said this would result in Israel having to pick up the very costly tab for Palestinian humanitarian assistance. While UNRWA has come under criticism from right-wing Israelis for allegedly allowing some of its schools in Gaza to be used by Hamas, many Israeli security officials said UNRWA schools in Gaza act as a counter-balance to the group.

Because of these pitfalls, Israeli analyst Moshe Maoz warned that, if the United States cuts aid to the Palestinians, “it would be catastrophic.” Israeli opposition politician Tzipi Livni said the Israeli government should “explain to [Trump] what the real Israel interest is.”

Trump's Jerusalem decision and the anti-US backlash among Palestinians are jeopardising US programmes in the West Bank. Palestinian NGOs are under public pressure not to participate in US-AID projects and many are refusing to meet with US project managers. One Palestinian NGO leader acknowledged to the Guardian that his organisation could no longer cooperate with the US aid agency because it “puts us in an awkward position.”

Although Trump is unlikely to reverse his Jerusalem decision, as he is loath to admit he made a mistake, he may not go forward with his threat to cut aid to the Palestinians given the myriad of problems it would entail. Because the US Congress has the ultimate say on foreign aid and many of its members are sensitive to the concerns of Israeli security officials, Trump may not be able to cut the aid even if he wants to.

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## US-Turkey ties under further strain after conviction of Turkish banker

Political junkies and others in much of the world may have spent the first week of 2018 consuming details of a salacious new book about the Trump administration but Turkey's attention was elsewhere. Its public and media were focused on a courtroom in New York where Turkish banker Mehmet Hakan Atilla was found guilty of helping Iran evade US sanctions. It was the latest in a series of blows to Turkish-American relations.

Atilla, an executive at Turkey's majority state-owned Halkbank, was found guilty on five of six counts, including bank fraud. The verdict had Turkish President Recep Tayyip Erdogan railing at what he called “new coup attempts” orchestrated by the CIA, FBI and the Gulenist movement, which the Justice and Development Party (AKP) government classified as a terrorist organisation even before the attempted July 2016 coup.

Atilla's 4-week trial generated few headlines in the United States, with only one prominent US publication running a full-length feature on the trial, which

it called “the biggest sanctions-evasion scheme in recent memory.” However, it was closely watched in Turkey. Even though Turkey's pro-government media did their best to avoid covering the details of the trial, many Turks followed tweets and Facebook postings by American journalists. For Turkey it was, by any measure, the kind of trial that would generate controversy.

US prosecutors accused Atilla of conspiring with Turkish gold trader Reza Zarrab to concoct a scheme to evade sanctions by using gold and food transactions. Zarrab, who had been arrested by US authorities a few months earlier when he and his family were on their way to Disneyland, pleaded guilty and agreed to testify against Atilla.

On the witness stand, Zarrab described an elaborate scheme that included bribes to top Turkish government officials but the real showstopper was his testimony that Erdogan knew about the plan and had given it his blessing.

There is speculation that Zarrab's gold transactions helped Turkey's export figures at a politically sensitive time.

Zarrab's testimony was strengthened by former Turkish police officer Huseyin Korkmaz's statement that he was imprisoned for investigating Zarrab and Turkish government officials in 2012 and 2013. He said he fled to the United States after his release and carried much of the evidence from that investigation with him. This was introduced at Atilla's trial.

Turkey's pro-government media and government officials reacted as one might have expected. The Daily Sabah described Atilla's trial as “scandalous” and the guilty verdict as “based on illegal evidence.” Turkish officials said the verdict was “void” under international law and they doubled down on the usual view from Ankara that the US judge, prosecutor and everyone else were under the sway of Turkish cleric Fethullah Gulen, Erdogan's political rival who lives in self-exile in Pennsylvania.

In his first public comments on the verdict, Erdogan lambasted America's “alleged justice” and alleged it was “carrying out... a chain of plots and these are not just legal but

also economic plots.”

US prosecutors were unapologetic. After the trial, Joon Kim, then acting US attorney in New York, said foreign banks and bankers had a choice: “You can choose willfully to help Iran and other sanctioned nations evade US law or you can choose to be part of the international banking community transacting in US dollars but you can't do both.”

The verdict is about more than geopolitics, however. It has real-world consequences, particularly for Halkbank. There is a very real chance it will face sanctions, which could severely limit its ability to do business in the United States and elsewhere internationally.

Zarrab's request that he and his family be put into the US government's federal witness protection programme has also raised eyebrows. The request was an indication that Zarrab feared retaliation from well-connected people in Turkey.

Though the Atilla verdict will go down as another blow to Turkish-American relations, it is important because it introduces an element of unpredictability in the equation.

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