

Consideration of the Taylor Force Act

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Mr. Chairman and Members of the Committee,

Thank you for the honor of appearing before you today to discuss the Taylor Force Act.

Since the establishment of the Palestinian Authority in the 1990s, U.S. assistance has totaled more than \$5 billion. In recent years, aid from the Economic Support Fund (ESF) has amounted to over \$300 million per year. Those figures do not count assistance we give through the United Nations agency UNRWA, which is now approaching \$6 billion since that organization's founding. The United States is the largest donor to Palestinians, year after year.¹

What's the problem that led to introduction of the Act, and leads to this hearing? It is the Palestinian practice of making payments to individuals convicted of acts of terror, and their families or survivors, in accordance with the severity of their acts and the length of their sentences. The predictable effect of this practice is to reward and incentivize acts of terror.

¹ U.S. Library of Congress, Congressional Research Service, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti, RS22967 (2016), 2, <https://fas.org/sgp/crs/mideast/RS22967.pdf>.

The length of sentences of course reflects the gravity of the crimes that have been committed. Accordingly, the more harm you do, the more money you and your family get. There are cases of unemployed and desperate men who commit acts of terror in order to get these payments—which can amount to a permanent government salary. Inevitably, the Palestinian government and society are by this scheme glorifying and honoring acts of violence, no matter how depraved. They are rewarding terror. There’s no way around that conclusion. And it does not really matter whether the payments are formally made by the Palestinian Authority or the PLO.

Nor, I would add, does it matter what the original intention of these practices was. I have heard it argued that the original goal was just to assist prisoners while in prison and take care of their dependents, and to assist them in readjusting and reintegrating after serving their sentences. But when you give assistance in accordance with the severity of the crime committed, the effect is unavoidable: to incentivize and reward acts of terror.

These are not welfare payments. I had hoped that, in the face of this controversy and the prospect of a reduction in American assistance, the Palestinian leadership under President Abbas would adopt a system of welfare payments. That is, payments to prisoners, families, and survivors would be based on the number of dependents—the number of individuals being helped. Such a system would be acceptable to us, I think, and here in the United States we understand that the families of prisoners in our correctional institutions must be eligible for general assistance—welfare, Medicaid, food stamps, and so on. But the Palestinian leadership appears to have rejected that approach. And according to the most recent poll I have seen, so do the Palestinian people (although of course the exact question asked may have affected the outcome).²

So that escape route from our problem is not open. Another proposed escape route is to cut all funds but allow a national security waiver.³ I oppose that suggestion, because it achieves almost nothing. Congress would be handing the problem to the administration without actually having any impact on the Palestinian practice of paying terrorists for their acts.

There are other suggestions. Some argue that we should simply look the other way and allow this to continue because many Palestinians would suffer from cuts in U.S. assistance. In Israel, there has long been a concern that cuts in aid to the Palestinians would lead to disorder in the West Bank or even the collapse of the Palestinian Authority.

² “Public Opinion Poll No. 64,” Palestinian Center for Policy and Survey Research, July 5, 2017, <http://www.pcpsr.org/en/node/692>.

³ Daniel Shapiro and Ilan Goldenberg, “For U.S. Aid to the Palestinians, Don’t Use a Sledgehammer When a Scalpel Would Do,” *Foreign Policy*, June 29, 2017, <http://foreignpolicy.com/2017/06/29/for-u-s-aid-to-the-palestinians-dont-use-a-sledgehammer-when-a-scalpel-would-do/>.

These are all reasonable concerns, but in my view they do not outweigh the logic behind the Taylor Force Act: as long as the Palestinian government is in effect rewarding terror, we need to be sure we make our objections—our condemnation—known, and that cannot be merely in words. Our assistance program must reflect our feeling of repugnance.

How do we do that? Since the Hamas victory in legislative elections in 2006, USAID has distinguished between assistance to the Palestinian Authority and aid to other recipients, such as NGOs and municipalities. In my view, all the payments that give assistance to or directly benefit the PA itself should be stopped. Some of those payments no doubt support good programs and worthwhile goals, but money is fungible. So the payments must stop. I believe this would cut our assistance roughly in half, but there is a context here. Considering the very great pressure on the foreign assistance budget right now, how could we justify continuing all these programs and payments to the Palestinians, while they continue to use money to reward terror? Surely the money can be better spent elsewhere. Moreover, these huge expenses on prisoners who have committed acts of terror are not the only example of PA financial mismanagement. A poll taken last year found that 95.5% of Palestinians think the PA is corrupt, and that was the highest rate ever.⁴ Given the amounts of U.S. assistance, the whole issue of PA financial management and mismanagement should get a good deal more attention.

Why not cut every cent right now? That step would have a greater impact, to be sure, but might directly affect people or programs unrelated to the Palestinian Authority and its payments for terrorism. The Taylor Force Act would, in any event, require a determination that the PA is taking credible steps to end acts of violence by individuals under its jurisdictional control. I don't see how that certification could be made if the PA continues to pay for terror. Moreover, cutting payments in half, or thereabouts, would show the Palestinian leadership that Congress is serious about ending aid unless this intolerable situation is changed. That would make it more likely that the issue might be addressed. If it is not, you can come back in three or six or nine months and cut some more, or cut everything. Ideally, during such a period there could be discussions between the PA, Israel, and American officials, and the scaled payments that reward greater acts of violence and terror could be eliminated. If not, the Palestinians will in any event have been warned what is coming.

I want to deal with one other issue, which is that about \$75 million in aid is paid to cover debts owed directly to suppliers of power (which is most of the \$75 million) and to hospitals, reducing amounts owed to them by the Palestinian Authority. Cut those payments, it is said, and you just hurt the suppliers of power and of medical care. I would make an exception for those hospitals, which account for perhaps a fourth of the \$75

⁴ Karin Laub and Mohammed Daraghme, "In Tough Times, Most Palestinians View Government as Corrupt," *Associated Press*, May 24, 2016, <https://apnews.com/3aabd1f5db4e4623a74c00fcd71589f3/tough-times-most-palestinians-view-government-corrupt>.

million in debt reduction payments. In fact, by far the largest part of the medical payment is to Augusta Victoria Hospital in Jerusalem, and I would not wish to see it cut off.

Power is different. There our money does not support a renowned and venerable institution like Augusta Victoria. In fact, for obvious reasons it encourages a kind of corruption. There are cases where commercial users of power in the West Bank simply don't pay their power bills, because everyone knows the Americans will cover the bills from our aid budget and send checks to the Israeli companies. The current system really encourages irresponsible behavior. We all watch our power consumption in our homes and businesses because we pay the bills. But we now underwrite a system for the West Bank where the United States pays the bills, not the users, and that's not smart—and not worth continuing in the context of the Taylor Force Act, the need to confront Palestinian rewards for acts of terror, and the competition for scarce U.S. assistance dollars.

Mr. Chairman, we should not be under the illusion that passage of this legislation and a large cut in aid to the Palestinians will immediately solve this problem. We should not expect that the Palestinian leadership will quickly react by ending their rewards for terrorism. We can hope that they will address this issue, and in negotiations with Israel and the United States come to an agreement—but that may very well not happen. I think you should pass this legislation nonetheless. We need to send a clear message to the Palestinian people and leadership that we find the current system unacceptable and in fact repugnant. We need to be sure that our aid money does not even indirectly sustain that system. We should do this as a matter of principle—frankly, whether the Palestinians like it or not, and whether the Israelis like it or not.

I wish we had done it years ago, including the time I served in government. We all may have had the excuse then that we weren't exactly clear about the facts, and indeed the facts and implications and reverberations are complex. But the moral point is crystal clear, and now is the time to act.

Thank you for permitting me to testify today.