



AMERICAN HELLENIC INSTITUTE, INC.

**Testimony of Nick Larigakis, Executive Director, American Hellenic Institute (AHI)
on behalf of the, AHI on the Fiscal Year 2011 Appropriations Bill
Submitted to the House Appropriations Subcommittee on State, Foreign Operations, and Related
Programs - March 26, 2010**

Madame Chairwoman Lowey, Ranking Member Granger and Members of the Subcommittee:

I am pleased to submit testimony to the Subcommittee on behalf of the nationwide membership of the American Hellenic Institute on the Administration's foreign aid proposals for FY 2011.

In the interests of the United States we oppose: (1) any military assistance the administration will request for Turkey until Turkey removes its troops and illegal Turkish settlers in Cyprus; (2) aid the administration will request for the Former Yugoslav Republic of Macedonia (FYROM); and (3) any reduction that might be introduced in the aid levels for the UN Peacekeeping Force in Cyprus. In the interests of the United States we support continuing ES Funds for Cyprus as long as it is tied exclusively to bi-communal projects of the island as mandated by U.S. law which states that U.S. funds support only "measures aimed at reunification."

U. S. Interests in Southeast Europe and the Eastern Mediterranean: The U.S. has important interests in Southeast Europe and the Eastern Mediterranean. To the north of Greece are the Balkans, Eastern Europe and Russia, to the East the Middle East and to the South are North Africa and the Suez Canal. Significant communication links for commerce and energy sources pass through the region. Therefore, Greece is situated at a vitally important strategic region for U.S. interests. However, the projection of U.S. interests in the region depends heavily on the stability of the region. Therefore, the U.S. has an important stake in fostering good relations between two NATO allies, Greece and Turkey and in achieving a just and viable settlement of the Cyprus problem.

Greece is of vital importance for the projection of U.S. strategic interests in the region by virtue of among other factors, its geographic location and by being home to the most important naval base in the Mediterranean Sea, Souda Bay, Crete. There are numerous visits by U.S. military ships and planes to Souda Bay, Crete and its adjacent air base annually, and it is critical for the United States to deliver troops, cargo, and supplies to Afghanistan.

On March 19, 2009 at a roll out ceremony to unveil the delivery to the Greek Air Force of the "F-16 Peace Xenia IV" in Fort Worth, Texas, Bruce S. Lemkin, Deputy Under Secretary of the Air Force, in his remarks stated:

"From World War II and the Cold War through today, Greece had remained a stalwart NATO ally and friend. [Since 9/11] Greece [has] provided strong political support, the use of Greek airspace, and offered Greek military assets to combat terrorism, including the deployment of a Greek frigate to the Arabian Sea for almost two years!..Greece has been resolute in its support of operations in the struggles against terrorism and extremism, through the vitally important use

of Souda Bay Air Field as landing base, unrestricted over-flights, and providing a continuous rotation of personnel to Afghanistan since 2002.”

In addition, Greece is a top contributor to the defense efforts of NATO, spending an estimated 3% of its GDP on defense, and is also an active participant in peacekeeping and peace-building operations conducted by international organizations, including the UN, NATO, the EU, and OSCE.

On March 9th of this year, during a White House event honoring Greek Independence Day, President Obama said:

“...let me acknowledge Greece’s efforts to extend the security and stability in our time—toward a just and final settlement in Cyprus, fully integrating the Balkans in Europe, and the Prime Minister’s [Greek Premier George Papandreou] personal work to improve relations with Turkey. We thank you for your leadership. And let me commend Greece, our close NATO ally, for standing up for the security and opportunity of people around the world—from the Balkans to Afghanistan, where Greek service members are helping to give people who have know[n] too much war the chance to live in peace and security.”

However, a key to peace and stability in Greece’s own region is for Greece and Turkey to have good relations with each other, promote democratic ideals and principles, and maintain growing economies. However, Turkey’s continuing occupation of Cyprus, its intransigence in solving the Cyprus problem, its refusal to recognize Cyprus as a member of the European Union, and on going human rights and religious freedom violations in Turkey, threatens and prevents this stability, and by extension U.S. interests.

Further, this instability continues to be exacerbated, literally on a daily basis, by virtue of Turkey’s continuing violations of Greece’s territorial integrity in the Aegean. These actions cost the Greek government \$500 million a year and come at a time when it can ill afford to be spending any amounts of money unnecessarily to deal with provocative actions by a fellow NATO ally.

In promoting a multilateral approach to diplomacy and foreign policy, the U.S should look to Greece as an immensely valuable link in this region. With its close cultural, political and economic ties to the Mediterranean countries, Western Europe, the Balkans, Eastern Europe and the Middle East, Greece is an ideal strategic partner for the U.S. with regard to diplomatic relations with countries from these regions.

Greece is by far the most economic and politically stable country in the Balkans. It has assisted the U.S. in bringing political stability and economic development to this volatile region, having invested over \$22 billion in the countries of the region, thereby creating over 200,000 new jobs, and having contributed over \$750 million in development aid for the region.

Turkey: We oppose any aid for Turkey and any other assistance programs from the United States. This includes most favored nation trade benefits including textile quotas and the transfer of any nuclear related assistance which we oppose as not in the best interests of the U.S. We contend such benefits should be conditioned on Turkey meeting the following conditions: (1) the immediate removal of all Turkish troops from Cyprus; (2) the prompt return to Turkey of the over 180,000 illegal Turkish settlers in Cyprus; (3) the Turkish government’s safeguarding the Ecumenical Patriarchate, its personnel and property, reopening the Halki Patriarchal School of Theology, and returning church properties illegally seized; and (4) stops the violations

against Greece's territorial integrity in the Aegean and in Greek airspace.

Cyprus: Regarding Cyprus, the assistance that the U.S. has provided in humanitarian aid over the past 32 years has been important for that country's economic recovery after the illegal Turkish invasion of 1974. During the first two decades of Turkey's occupation of 37.3% of Cyprus, much of that aid was directed towards the rehabilitation of the refugees. In the past decade most of the aid was aimed at bi-communal projects to support reunification of the island. As you know, there is a statutory mandate that U.S. funds support only "measures aimed at reunification." However, more recently, the aid has not been tied exclusively to joint Greek and Turkish Cypriot communal projects and we are gravely concerned that funds used for programs on Cyprus have been obligated without appropriate advanced consultation with the government of the Republic of Cyprus.

If these funds are to improve the prospect for peaceful reunification of the island it is incumbent on the administration to consult with the Government of the Republic of Cyprus in advance of the obligation of funds, and to assure maximum transparency in their allocation. In addition, unless the allocation of the funds is for joint communal projects, this aid will not assist in the reunification of the island and will ultimately not serve the U.S. tax-payer.

In that respect, USAID must assure the Cyprus government that these funds will be spent in accordance with the official positions of the United States and the UN, namely that the expenditure does not violate Cyprus' sovereignty, territorial integrity and domestic legal order, does not adversely affect property rights of Cypriot Americans or Greek Cypriots and does not create or promote political institutions or activities of the entity that is not recognized by the UN Security Council or the U.S., known as the "Turkish Republic of Northern Cyprus (TRNC)".

The USAID programs must have a genuine bi-communal character and involve civil society organizations, contribute to the reunification of Cyprus and the reintegration of the economy and society. They must not negatively affect Cyprus' environment, cultural and religious heritage.

We urge that the aid levels from FY2010 of \$11 million dollars not be reduced and that the aid must comply with U.S. law by calling on the State Department and USAID to provide an accounting of all programs that are being supported by these funds. Details should be provided as to who the recipients are, what the funds are being used for, and that their only purpose is to achieve the reunification of the island. The Government of Cyprus has sought to conclude a Memorandum of Understanding with USAID on the use of U.S. funds in Cyprus that could provide a mechanism for meaningful consultation. Given Congress's previous directive to consult transparently with the Government of Cyprus and the fact that USAID has MOUs with other countries we believe that it is very important and beneficial that USAID should sign such a Memorandum.

In addition, we strongly oppose any requests that might want to reduce the UN peacekeeping budget. The illegal occupation of the northern part of Cyprus by Turkish troops is a reality and we have seen an increase in the presence of Turkish troops on the island. The Turkish occupied area which amounts to of 37.3% of the territory of Cyprus is one of the most heavily militarized areas in the world with the presence of more than

43,000 Turkish occupation troops. As long as the northern part of Cyprus remains under Turkish military occupation, a strong UN peacekeeping force should be maintained on the island.

Since September 2008 the President of the Republic of Cyprus, Demetris Christofias and Turkish Cypriot leader Mehmet Ali Talat have held 70 rounds of direct talks under the UN framework agreement.

Presidential candidate Obama stated in an October 2008 campaign statement:

“As president, [I] will show U.S. leadership in seeking to negotiate a political settlement on Cyprus. [I] believe strongly that Cyprus remain a single, sovereign country...within a bizonal, bi-communal federation...A negotiated political settlement on Cyprus would end the Turkish occupation of northern Cyprus and repair the island’s tragic division while paving the way to prosperity and peace throughout the region.”

And in a speech, as President, on April 6, 2009, before the Turkish Grand National Assembly in Turkey, the President said the following regarding Cyprus:

“Advancing peace also includes the disputes that persist in the Eastern Mediterranean. And here there’s a cause for hope. The two Cypriot leaders have an opportunity through their commitment to negotiations under the United Nations Good Offices Mission. The United States is willing to offer all the help sought by the parties as they work towards a just and lasting settlement that reunifies Cyprus into a bizonal and bicomunal federation.”

The Congress can assist in this effort by calling on Ankara to not manipulate the current direct talks or restrict Mr. Talat at the negotiations table. The Cypriots themselves should have ownership of the process and the solution that is by the Cypriot people and for the Cypriot people.

In addition, the Congress should call for the immediate removal of Turkey’s troops from Cyprus, which would go a long way to solving the Cyprus problem because, for one, it would immediately create a much better negotiating environment on the island between the Greek and Turkish Cypriots.

Former Yugoslav Republic of Macedonia (FYROM): We strongly oppose the \$23.3 million in aid as long as it is not tied in to FYROM’s commitment to negotiate in good faith with Greece to find a solution to the continuing unresolved issue between Greece and FYROM over the name of the latter. This issue, if unresolved, will contribute to potential instability within the Balkans. Stability in the Balkans is not only important for overall U.S. interests, but also because it serves the interests of every country in the Balkans. It is however, FYROM, that is the intransigent party in this regard, and not Greece. Greece is the biggest investor in FYROM and literally helps to sustain FYROM’s precarious economy and reduce its large unemployment.

Provocations against Greece have increased dramatically in recent years. Since August of 2006, Prime Minister Nikola Gruevski has followed a long-term policy of extreme nationalism and provocation against Greece in conflict with European values. His actions are a breach of the U.N.-brokered Interim Accord and erode efforts to build trust and good neighborly relations.

Unfortunately, the irresponsible decision by the Bush administration in November of 2004 to recognize FYROM as the “Republic of Macedonia” has contributed greatly to FYROM’s intransigent and provocative stand. U.S. actions since 1992 regarding the FYROM name dispute has constituted an American foreign policy

blunder which has damaged U.S. interests in the Western Balkans and was a disrespectful act toward a staunch NATO ally and supporter in the Balkans-Greece.

In an October 2008 campaign statement, Presidential Candidate Obama stated: "...[I] support the UN-led negotiations and believe that there can and should be an agreement between Skopje and Athens on a mutually-acceptable name that leads to greater stability in the Balkans."

The Congress can assist in this process by persuading FYROM to negotiate in good faith with Greece to resolve this name issue and to cease immediately irredentist propaganda against Greece. Only in this way will FYROM's aspirations to fully integrate into the EURO-Atlantic community be realized.

The Main Problems of Concern to Greek Americans: A detailed discussion of the issues facing the U.S. in its relations with Greece, Cyprus and Turkey is set forth in the 2010 AHI Policy Statements, which will be available soon on our AHI website: www.aheworld.org. These issues include: Cyprus, the Aegean Sea boundary, Ecumenical Patriarchate and the Halki Patriarchal School of Theology, Former Yugoslav Republic of Macedonia (FYROM), the Greek minority in Albania, and recognition of the Greek Pontian genocide.

Finally, in the interest of regional stability and dispute resolution, the U.S. should promote Turkey's emergence as a fully democratic state whether or not she enters the EU. This will require fundamental changes in Turkey's governmental institutions, a significant improvement in its human rights record, the settlement of the Cyprus problem on the terms referred to above and publicly acknowledging the existing boundary in the Aegean Sea between Greece and Turkey established by treaties. Past and current U.S. policy has not had this effect and needs to be critically reviewed by the Congress.

Thank you for the opportunity to present our written testimony to the subcommittee's attention.