



**Testimony of Nick Larigakis, President, American Hellenic Institute (AHI)
on behalf of AHI on the Fiscal Year 2012 Appropriations Bill
Submitted to the House Appropriations Subcommittee on State, Foreign Operations, and Related
Programs - April 14, 2011**

Madame Chairwoman Granger, Ranking Member Lowey 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 FY2012 foreign aid budget proposal.

In the interests of the United States we oppose: (1) any military assistance the administration will request for Turkey until Turkey removes all of 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 U.S 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 strategically situated in a vital region for U.S. interests. However, the projection of U.S. interests there depends heavily on the region's stability. Therefore, the U.S. has a stake in fostering good relations between two NATO allies, Greece and Turkey, and in achieving a just and viable settlement to the Cyprus problem.

Greece is of vital importance for the projection of U.S. strategic interests in the region by virtue of its geographic location and by being home to the most important naval base in the Mediterranean Sea, Souda Bay, Crete. There are numerous annual visits by U.S. military ships and planes to Souda Bay and its adjacent air base. Souda Bay is critical to the delivery of U.S. 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, 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 9, 2010, 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.”

Moreover, on March 25, 2011, President Obama re-affirmed Greece’s contributions as a NATO ally, including in support of NATO’s most recent operations in Libya:

“And as we celebrate the independence of the Greek people, the United States and Greece are standing with our NATO allies to support the Libyan people as they stand up for their own freedom.”

In the NATO buildup for Libya, Souda Bay spokesperson Paul Farley said of the 400 U.S. Marines deployed there that they were “part of contingency planning to provide the president [Barack Obama] flexibility on full range of option regarding Libya” along with the amphibious assault ships USS Kearsarge and USS Ponce.¹

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 ongoing 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. in this region.

¹ “U.S. troops arrive in Greece in Libya buildup,” *USA Today* as reported by the *Associated Press*, March 3, 2011.

Greece is by far the most economically and politically stable country in the Balkans. It has assisted the U.S. to bring 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 contributing over \$750 million in development aid.

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.

Cyprus. We strongly oppose the \$7.5 million reduction in ESF funding to Cyprus from \$11 million for FY2011 to \$3.5 million proposed for FY 2012. The assistance the U.S. has provided Cyprus in humanitarian aid over the past 33 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 toward 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. 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. taxpayer. In this respect, USAID must assure the Republic of Cyprus' government that these funds will be spent in accordance with the official positions of the United States and 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.

Also, it is imperative 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 the Republic 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 the Republic of Cyprus, and the fact that USAID has MOUs with other countries, we believe it is important and beneficial for USAID to sign such a memorandum.

In addition, we strongly oppose any requests that would reduce the UN peacekeeping budget. The illegal occupation of the northern part of the Republic of Cyprus by Turkish troops is a reality. The Turkish-occupied area which amounts to 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 there have been direct talks under the UN framework agreement between President of the Republic of Cyprus, Demetris Christofias and the Turkish Cypriot leader, who currently is Mr. Dervis Eroglu.

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 bi-zonal, 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.”

President Obama, before the Turkish Grand National Assembly in Turkey, April 6, 2009, said:

“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.”

Congress can assist in this effort by calling on Ankara to not manipulate the current direct talks or restrict Mr. Eroglu 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 echo the statement of then Foreign Affairs Committee Ranking Member Ileana Ros-Lehtinen who called for the immediate removal of Turkey's troops from Cyprus following a December 7, 2010 meeting with Turkish Ambassador Namik Tan.

“As I told the Ambassador, I am deeply concerned about Turkey's position on the conflict in Cyprus, which has divided that country for almost four decades. Turkey must fully support a Cypriot solution to reunification of the island and immediately withdraw its troops from northern Cyprus,” Ranking Member Ros-Lehtinen said.

Withdraw of Turkish troops from Cyprus would go a long way to solving the Cyprus problem because it would create a much better negotiating environment on the island between Greek and Turkish Cypriots.

Former Yugoslav Republic of Macedonia (FYROM). We strongly oppose the \$14 million in AEECA FY2012 proposed aid to FYROM 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. It is FYROM that is the intransigent party here and not Greece. Greece is the biggest investor in FYROM and helps to sustain its precarious economy and reduce its large unemployment. If unresolved, this issue will contribute to potential instability within the Balkans.

Provocations against Greece have increased dramatically in recent years. Since August 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 2004 to recognize FYROM as the "Republic of Macedonia" has contributed greatly to FYROM's intransigent and provocative stand. It was a disrespectful act toward a staunch NATO ally in the Balkans, Greece. Moreover, dating back to 1992, U.S. action regarding the FYROM name dispute has damaged U.S. interests in the western Balkans.

Following a March 14, 2011 meeting with the Defense & Foreign Affairs Chairman of Greece's Parliament, Konstantinos Vrettos, House Foreign Affairs Chairman Ileana Ros-Lehtinen stated, "Greece has undertaken significant good faith efforts in an attempt to resolve the name dispute with the Former Yugoslav Republic of Macedonia, and it is my hope that a mutually-acceptable compromise will be reached soon."

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

Main Issues to Greek Americans. A detailed discussion of the issues facing the U.S. in its relations with Greece, Cyprus and Turkey is in the 2011 AHI Policy Statements available at www.aheworld.org. These issues include: Cyprus, the Aegean Sea boundary, religious freedom for the Ecumenical Patriarchate, FYROM name-recognition, the Greek minority in Albania, and recognition of the Greek Pontian genocide.

Finally, in the interest of regional stability and conflict 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 reviewed critically by Congress.

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