

Obama Speech Backlash on Call to Reinstate 1967 Mideast Borders

By HUMA KHAN

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President Obama's call this afternoon for Israel and the Palestinians to redraw boundaries based on 1967 lines has already generated backlash.

"The dream of a Jewish and democratic state cannot be fulfilled with permanent occupation," the president said in a wide-ranging, Mideast speech at the State Department.

"The United States believes that negotiations should result in two states, with permanent Palestinian borders with Israel, Jordan, and Egypt, and permanent Israeli borders with Palestine. The borders of Israel and Palestine should be based on the 1967 lines with mutually agreed swaps, so that secure and recognized borders are established for both states."

The suggestion landed with a thud in Israel, where some skeptics worry that such a border makes the country less secure. The country will object to any "indefensible" borders, Israeli Prime Minister Benjamin Netanyahu said in a statement.

"The viability of a Palestinian state cannot come at the expense of Israel's existence," said Netanyahu, who is expected to arrive here in Washington Friday.

Netanyahu's office tweeted its clear disapproval of the president's reference to the 1967 borders.

"Prime Minister Netanyahu expects to hear a reaffirmation from President Obama of U.S. commitments made to Israel in 2004, which were overwhelmingly supported by both Houses of Congress," the office wrote on Twitter. "Among other things, those commitments relate to Israel not having to withdraw to the 1967 lines which are both indefensible and which would leave major Israeli population centers in Judea and Samaria beyond those lines."

This is the first time a U.S. president has laid out his vision on the borders so starkly in a high-profile speech. Administration officials say they hope the message will appease Palestinians and stop them from pursuing unilateral recognition at the United Nations, something the president warned against today. In a nod to the Israelis, the president also avoided the issue of settlements and division of Jerusalem, another two main points of contention.

But Obama's views are unlikely to appease Palestinians, either. For Arabs, the United States' longtime friendship and support of Israel has created a level of distrust that is unlikely to dissipate with Obama's latest rhetoric.

Hamas spokesman Sami Abu Zahri said Obama's speech was full of empty words and an indication that U.S. policy has failed. Abu Zahri said people in the Arab world have no need for lectures on democracy from Obama while he is supporting what they view as Israeli crimes. Abu Zahri said Obama's rejection of Palestinian unity is an intervention of Palestinian affairs.

Some observers say the president's views, though controversial, are consistent with his policy thus far.

"Obama needed to put out a healthy reminder that he has not changed his view of the situation or how it must be resolved," former ambassador to Israel, Edward Walker wrote in a commentary piece for ABCNews.com. "Although there was nothing particularly surprising or new in what he said, his words will not be entirely welcome to PM Netanyahu who reacted quickly and negatively on the question of borders and settlements."

Others, however, say Obama should've stayed mute on the issue altogether, and his comments, in fact, will make the situation worse.

"Obama's dilation on the 1967 borders makes matters worse: Borders are what negotiations are supposed to be about, not what is to be stipulated before negotiations," columnist and ABC News contributor George Will wrote.

Obama Vows Economic Cooperation, Trade and Investment in the Middle East

Hailing the "extraordinary change" that is taking place in the Middle East and North Africa, Obama announced today a series of policy and economic initiatives aimed at promoting democracy and reforms in the region.

"We know that our own future is bound to this region by the forces of economics and security, by history, and by faith," the president said in his speech. "A new generation has emerged. And their voices tell us that change cannot be denied."

Observers say the president's speech, directed mainly at an American audience, is unlikely to cause much of a ripple in the Middle East.

"He was very strong on the democracy stuff, but what he did on the Israel/Palestine stuff fell flat," said James Zogby, president of the Arab American Institute. "They don't need the president of the United States to describe how significant the transformation is. They don't need the U.S. to provide them analysis or to describe to them the heroics of their young people or the economic crises they're facing."

Obama called out specific leaders, including Libyan dictator Moammar Gadhafi, who's facing civil unrest from his own people.

He warned Syrian President Bashar al-Assad, whose finding himself in a similar situation, to "lead that transition or get out of the way."

Obama also denounced the "hypocrisy of the Iranian regime" and urged U.S. partner Bahrain -- in relatively softer tones -- "to engage in a dialogue" and "forge a just future for all Bahrainis."

"In the months ahead, America must use all our influence to encourage reform in the region," Obama said. "Even as we acknowledge that each country is different, we will need to speak honestly about the principles that we believe in, with friend and foe alike. Our message is simple: If you take the risks that reform entails, you will have the full support of the United States."

The president vowed today to foster economic growth and social reform in the region, while aiding in the development of a civil society and technological growth.

The series of initiatives announced today include better economic management, economic stability, economic modernization and reform, and a framework for trade integration and investment, according to fact sheets provided by the administration.

Specific to Egypt and Tunisia, where the so-called Arab Spring began, Obama said the United States has asked the World Bank and the International Monetary Fund to present a plan at next week's G-8 summit to stabilize and modernize their economies.

The United States will provide a debt relief of \$1 billion to Egypt -- one of the United States' oldest and closest partners in the Arab world -- and guarantee another \$1 billion in loans to finance infrastructure and job creation.

The president also said his administration is working with members of Congress to create enterprise funds for the two countries, modeled after the system that was developed for Eastern European countries in their transition to democracy.

The Overseas Private Investment Corporation, an independent U.S. government agency that mobilizes private capital around the world to advance U.S. foreign policy, will provide \$2 billion to the region.

The president's speech has also been met with skepticism in a region that has been galvanized by recent Arab uprisings.

Obama's speech comes during a time when the region is undergoing unprecedented change. The movement for democracy began with the toppling of President Zine el-Abidine Ben Ali's regime in Tunisia, then the popular revolt in Egypt that brought down the longtime rule of President Hosni Mubarak, and then civil unrest in Libya to overthrow Gadhafi.

Similar uprisings are taking hold across the Arab world. In Bahrain, Yemen and Syria, scores of people have died in recent months as their government attempts to squelch protests.

The United States has so far taken a back seat in the regional movements, with the exception of a few countries, and many in the region says Obama needs to do more. In Libya, the United States is supporting the NATO-led coalition against Gadhafi, although after taking the lead on the mission, the United States is now taking a back up role.

Obama signed an executive order Wednesday imposing sanctions against al-Assad and six other senior government officials. The same day, the White House called Yemeni President Ali Abdullah Saleh to push him to sign and implement the Gulf Cooperation Council-brokered agreement that would result in his stepping down within a month.

Despite the push toward democracy, the image of the United States in the Muslim world remains negative. In countries like Jordan, Turkey and Pakistan, views are even more negative than they were one year ago, according to a report released this week by the Pew Global Attitudes Project. Those surveyed said they felt the United States disregarded the interests of other countries and acted mostly unilaterally in world affairs.

The survey found that except Indonesia, Obama remains unpopular in Muslim nations and most disapprove of the way he has handled calls for political change roiling the Middle East.

At the same time, sympathy toward Islamic fundamentalists remains strong in some parts. In Pakistan, nearly half of those polled said they they sympathize more with Islamic fundamentalists than those who disagree with them. In the Palestinian territories, that number dropped to 37 percent, with Jordan and Egypt trailing closely behind.

ABC News' Jake Tapper, Kirit Radia and John Parkinson contributed to this report.