PRESS
DEPARTMENT OF STATE

October 19, 1984
NO. 238

PC NO. 23

JOINT PRESS CONFERENCE
BY
THE HONORABLE GEORGE P. SHULTZ
U.S. SECRETARY OF STATE
AND
THE HONORABLE JOE CLARK
CANADIAN SECRETARY FOR EXTERNAL AFFAIRS
TORONTO, CANADA
October 16, 1984

SECRETARY FOR EXTERNAL AFFAIRS CLARK: I'll try to be briefer than Mr. Brady was. We had, from my perspective, a very warm and positive discussion. I appreciated Secretary Shultz's coming to Toronto, and I think that we were able, today and yesterday, in the extensive discussions we carried forward, to maintain the spirit that was established by President Reagan and Prime Minister Mulroney during their meeting at the White House in September. In my judgment, we are embarked upon the opening of a new chapter in Canadian-United States relations. The responsibility of Secretary Shultz and myself is to deal with some of the matters of detail, of important detail, that exist between our two countries, and also to keep in close contact regarding international questions which are of concern to us both.

You will not be surprised to know that I gave a very heavy emphasis to some of the economic questions that are facing Canada and the world, and particularly the importance to us of establishing and maintaining Canadian access to markets, which is going to be key to our economic strength in the future. I also, of course, raised, and we discussed, the continuing Canadian concern about the problem of acid rain, which is a multi-partisan concern in this country. A colleague of mine, the Honorable John Fraser, when he was Minister of the Environment in my Government in 1979, raised that question with some vigor at that time, and it remains a very major concern of the new government of Canada. I think that I had known before coming to the first of these quarterly meetings that the process was

valuable in theory; I have certainly found it to be valuable in fact, in terms of establishing ability to work together as very close neighbors.

SECRETARY SHULTZ: First I'd like to thank Minister Clark for his warm reception and for the high quality of the meetings. I think the meetings that we have, and that our Prime Minister and President have, and that other ministers have, are part of a continuing discussion. And perhaps these meetings for us are kind of a high point, but they don't represent the whole story by a long shot. They represent the tip of the iceberg of this relationship. It is kind of an interesting and perhaps symbolic fact that President Reagan's first visit to another country as President was to Canada; and Prime Minister Mulroney's first visit to another country as Prime Minister was to the United States; and my first visit to another country as Secretary of State was to Canada; and your first visitor from another country was from the United States; so there is a message in those facts.

When I arrived at the airport, you said that your motto was that it would be possible to disagree without being disagreeable, and I would have to say that you have delivered on that undertaking. On the other hand, he gave me a hard time, frankly, on a lot of subjects, particularly acid rain, and I would like to point out to you that acid rain is a problem in the United States, too. At the same time, as I said in our meeting, we feel that it's important to really understand this phenomenon better before you commit gigantic sums of money to it, but this is only replaying some of our discussions. And I do acknowledge that you were able to disagree without being disagreeable, and I appreciate it.

QUESTION: (Question in French, partially translated) Mr. Clark, the Ambassador in Washington, Mr. Allan Gotlieb, said that on June 18 in Rhode Island, the Governor ... had said that acid rain was the most contentious question between the two countries. Do you think that there will be action taken, as Mr. Mulroney had said after his visit to President Reagan?

SECRETARY FOR EXTERNAL AFFAIRS CLARK: Today we had an extensive conversation about acid rain, and Canada's position was well indicated, well articulated, and I underlined that for our part, acid rain is a bipartisan question. It is not a question of one government or one party; it involves all of Canada and all our political parties. It was accepted by the Secretary of State. We are agreed as to the importance of the problem, but we have discussed various means of dealing with the problem. There will be a meeting involving our respective Ministers of Environment. And let me say it is important for us to maintain the priority of this question that will be under discussion between the Secretary of State and myself and between the President and the Prime Minister when they next meet.

QUESTION: (Inaudible)

SECRETARY FOR EXTERNAL AFFAIRS CLARK: American policies will always influence our policies, and Canadian policies can have an influence on American policies. That is a North American reality. It hasn't changed and will not change. Insofar as specific questions that we discussed, there have been two types of questions, the first being our priority as a government to attract foreign investment to Canada to help us bring about further Canadian development. The Americans, for various reasons, have often been in disagreement with our past policies, the past policies of the former government. We disagree also with certain aspects of the national energy policy, or certain measures of implementation of FIRA. So this question of investments was certainly discussed. There was another question discussed, that of international trade and our access to traditional and new markets and the necessity for us to improve and to keep the access that already exists.

QUESTION: Mr. Clark, a domestic question but it's the first time we've had a chance to meet with you. Since last week you rescinded the appointments of three Canadian Ambassadors appointed by the Trudeau government, could you tell us why? Was it because they were Liberal appointments, or were they not qualified?

SECRETARY FOR EXTERNAL AFFAIRS CLARK: Bob, I think, since we've only got half an hour here, rather than detain the Secretary of State with domestic problems, I'll restrict my comments to matters that were discussed in the bilateral meeting.

SECRETARY SHULTZ: I'd be fascinated to know how you deal with Ambassadorial appointments. (laughter).

QUESTION: The Canadian Peace Caravan, which is bent on keeping the Canadian government aware of the disarmament issue, is in Toronto today stirring up sort of a -- not stirring up, but fostering public opinion with regards to disarmament. I wonder if Mr. Shultz has any words of encouragement for the Canadian Peace Caravan.

SECRETARY SHULTZ: The policy of the Reagan Administration is to seek reductions in armaments on an equitable and verifiable basis, and there are proposals on the table involving the complete range of armaments considerations, from chemical warfare to confidence-building measures, from conventional forces to the overriding questions of nuclear armaments. Our emphasis in all of these matters is reduction -- not control, not freeze, but reduction. And we will continue to work for those objectives. And we wish for more positive responses from the Soviet Union in order that progress could be made.

QUESTION: Secretary Shultz, over the last two days we've seen a lot of comments about the special relationship, the strength of the relationship, number one trading partner, America's great stake in maintaining a good relationship with Canada. I think, with your long relationship with this country, both in public life and private life, you understand that there are some Canadians who have some reservations about just how close we get to the United States or any other country -- that we lose our own identity in the process. What is the quid pro quo from the United States in terms of this new initiative by the new Canadian government? Is it a guarantee for access to those markets, and that the Administration will resist domestic political pressure in the United States in a protectionist vein, that the Administration will resist those pressures as a result of, and in keeping with, this new special relation?

SECRETARY SHULTZ: Well, the United States has to follow policies that it feels are in the interests of the United States, just as Canada follows policies that you consider to be in the interests of Canada. We think it's in the interests of the United States to have a good working relationship with Canada, and we think it's in the interests of the United States to have open trading, not only with Canada, but on a world basis, because that gives our consumers a broad access to what's available on the world market. It helps to control inflation and gives us many other advantages. So I think that if the focus of your questions is whether or not you can expect the Reagan Administration to continue its pursuit of an open trading regime in the world, the answer is to be found in what the interests of the United States are; and they are in maintaining open markets and in having a good flow of trade between Canada and United States.

QUESTION: To either Mr. Clark or Mr. Shultz: Gentlemen, I understand that you have agreed that Mr. Ruckelshaus and our Minister of the Environment should meet on a regular basis. Could you tell us how often they'll be meeting, when the first one might be, and where it would be held?

SECRETARY FOR EXTERNAL AFFAIRS CLARK: We haven't reached that level of detail. And I want to emphasize that, while that is going to be an important meeting, discussing acid rain and other questions, and there will undoubtedly be some regularities to those meetings, on the question of acid rain in particular, we consider it sufficiently important, as well as being dealt with by the ministers directly concerned, certainly from Canada's perspective I intend to keep raising it at these quarterly meetings, and I would imagine that the Prime Minister would intend to keep raising that question at the level of his meetings with the President. We were very encouraged by the expressed willingness of the President at the White House meeting to work together with Canada to resolve environmental questions generally.

QUESTION: Mr. Secretary, we were told that Mr. Clark gave you assurance that Canada would no longer play a role as a mediator in the East-West issues. I wonder what concerns you have about that role, and what Mr. Clark said Canada would offer in place of the role of mediator?

SECRETARY SHULTZ: Well, as far as the role of Canada is concerned, I look on it myself much like our role or the role of other friends and allies. Countries have their ideas; we see that in this broad struggle for our values we have a very strong common stake and that we need to pursue a kind of combined policy of being strong and being able to defend the interests and values that we share and being ready to negotiate about them -- not about the values, but about the problems we have with the Soviet Union.

Now, as people from each country get around and make visits or receive people in their own country or meet them in other places, that's a valuable form of interaction, and I know in my own case, when I have meetings, I share the content and the impressions I get with my counterparts, including Mr. Clark. I sent him a long cable following the meetings that the President and I had with Mr. Gromyko, and I'm sure he will do the same. I think this kind of collaboration enables all of us to have a better understanding of what is going on and be more effective in the joint endeavor that we have.

QUESTION: Mr. Clark, you said that we're seeing a new chapter in U.S.-Canada relations. Is this a change in style and in tone in the dealings between the two governments, or is there a change in substance as well?

SECRETARY FOR EXTERNAL AFFAIRS CLARK: My view is that the election of the 4th of September in Canada changed more than a government here; that it allowed to be expressed a greater sense of Canadian self-confidence that meant that we were freer to be able to play a full role with the United States in the pursuit not simply of common values and the defense of common values, but also in the development of this neighborhood. And I think that that development, that change, that maturing has been occurring for some time. I think it has been rather hard to notice it, because there has been so much discussion about internal matters, whether they were the constitutional debate of the national energy program or other matters. Some of you who have suffered through my speeches before will know that I have spoken on this process of maturing that I see occurring in this country on previous occasions. I interpret the election of the 4th of September as indicating that the country has moved into a new chapter in its life, and part of that movement has been to allow us to develop a new chapter in relations between Canada and the United States. Obviously, there will be some changes

of substance as time evolves. Tomorrow, I guess, will be my first month anniversary of being sworn into office, so I'm not able to speak with much precision about what those changes will be, but I was very encouraged by the attitude and the sensibility, the sensitivity of the Secretary of State to the Canadian situation as we began to discuss those problems.

QUESTION: For either Minister: Can you tell me if you have set any kind of a timetable for coming to a management agreement on Georges Bank, beyond the fact that you want to set the process in motion?

SECRETARY FOR EXTERNAL AFFAIRS CLARK: We have set no firm timetable in terms of days that we can give you. The United States requested, and we agreed prior to the court decision to an extension of the grace period to 14 days that would allow the boats now in place to stay in place.

We've both got to study the decision more minutely than we've had an opportunity to do, but we are agreed that we want to move just as quickly as possible, after we understand the full implications of that decision, to begin to put in place a management system that will accept and build on the court decision and serve the best interests of the fisherman and the countries involved. Naturally, there will be consultation, at least on our part and I'm sure on the American part, with affected fishing groups, both industry and fishermen, and in our case, provincial governments.

QUESTION: Mr. Shultz, the Office of Science and Technology Policy has advised the President that it's time to move on acid rain without waiting for further research. There's been similar advice from the National Academy of Sciences. Why has this advice not been followed, and how much more research is it going to take? Is it going to be two years, five years or ten years? And why has this advice not been followed at the moment?

SECRETARY SHULTZ: There is a considerable difference of opinion and I think a genuine broadness of view that additional research will be necessary. There are huge sums of money involved, and to commit such sums before you see clearly where you're going can wind up spending an awful lot of money for the wrong thing, and we don't want to do that. And we think it should be -- it is desirable to take a little bit more time and be a little more sure of what you're doing, especially in light of the large sum involved. The meetings that were described between Mr. Ruckelshaus and his counterpart will not only be between them, but the scientists on each side will be brought in so that there will be opportunities for scientific exchange, and we'll certainly be ready to learn as much as we can from those exchanges.

QUESTION: Mr. Secretary, could you clarify any more what was talked

about yesterday: this report from Israel that they have received an offer and accepted with gratitude an offer for a moratorium on paying $500 million in debt? The indication yesterday was that there was no such offer, but it does seem rather strange. Israel is accepting an offer the U.S. has not made.

SECRETARY SHULTZ: I can't really clarify it very much. It does seem strange.

QUESTION: You have a vocally small group of New England fishermen who are very unhappy about the George's Bank agreement. It seems to feel that the State Department shares their point of view. What is the U.S. position on this decision?.

SECRETARY SHULTZ: Well, first, on this decision, I think it's important to register that here are two countries, Canada and the United States, with an important issue involving a boundary. And you set a boundary and it's set. And our relationship is strong enough and our confidence that we can work out consequent problems is high enough, so that we were willing, these two countries, to put this matter before an international court and agree in advance that we would abide by whatever the decision was that they set down. So we are going to do that. And I'm sure the Canadians also see some problems for them in this decision. So each side sees problems, each side has people who are complaining and no doubt feeling quite justified in doing so. The implications of the decision are complicated, and we need to study them. We need to consult with those whose interests are most directly affected, and as soon as we have done so, to try -- and Mr. Clark and I agreed that this should be done -- to try to get on top of this issue and resolve some of these managerial problems, you might say they are, in a satisfactory way. Of course, a lot of the issue arises because, while we respect the international boundary, the fish don't and so we have to cope with that fact and that presents a managerial problem, but I'm sure that in one way or another we'll be able to resolve it.

QUESTION: Since your time was occupying economic questions and questions regarding economic matters, in particular, sectoral free trade between your two great countries. I am a newcomer to the Canadian scene; I was based in your country for a while. I have read a lot. What is the situation now? Are the two Governments pushed, so to speak, by certain branches of industry, for instance, on the U.S. side where many industries regard Canada -- Let's not kid ourselves -- as the 51st State of the Union, so to speak, in economic terms, or in Canada, bombardier or whoever might be the player; or is it rather the push by the two Governments to get forward with sectoral free trade?

SECRETARY SHULTZ: In responding to your question, I don't want any implication to be left that I accept any of your wording. The

United States has benefitted a great deal from an open trading world and from our really quite open trading border with Canada, and so we like to see that extended where it is seen to be mutually beneficial. There have been some discussions about additional free trade zones that might be modelled, say, after the auto agreement or something on that line. Whether there is something more ambitious that's possible, I just don't know. But the trade legislation that was passed just, I guess, a week ago in our Congress gives us some running room to explore this with some confidence. And we discussed it in our meeting, and I think a fair summary of where we left it is that the new Government in Canada will be studying this carefully itself. It has the same predispositions that we do, and as soon as it's ready, we'll start to have a more definitive kind of discussion about what's the right agenda and where to go.

SECRETARY FOR EXTERNAL AFFAIRS CLARK: Why don't I just add very briefly, the reality of Canada is that our future depends upon an open trading system, and that is a reality that is guiding our Government. There have been, as Secretary Shultz indicated, discussions between his country and the former Government of Canada regarding specific approaches. My colleagues and I are looking at those and looking at other avenues, and we expect that before too long we will be in a position to become involved in discussions with the United States regarding the application of that open trading system to our two countries directly. I should make the point that, so far as I am concerned, the interest in that kind of system is impelled neither exclusively by governments nor by businesses, but is understood as being necessary to the future of this country and, in our judgment, to the future of successful world economic development by all parties concerned.

QUESTION: Mr. Shultz, we're told that you and Mr. Clark discussed the situation in Central America. Could you share with us your assessment of yesterday's meetings in El Salvador with President Duarte?

SECRETARY SHULTZ: I think the results of the meeting justify fully President Duarte's bold initiatives. He took a risk for peace, and I think he has gotten at least a small down-payment on that element of risk-taking. He had his meeting. You have seen the announcement of the results. There will be a commission that will look into how to bring the guerrilla war to a halt and to bring peace to El Salvador within the framework of the democratic institutions established under their constitution. There has been a statement issued in my name from the State Department, and it's available here. That's a little fuller statement of all this, and it's available to you. Thank you.

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PRESS
DEPARTMENT OF STATE

October 16, 1984
NO. 239

U.S. TELECOMMUNICATIONS DELEGATION TO VISIT MEXICO CITY OCTOBER 30-31

A delegation of U.S. officials from the Department of State, the Federal Communications Commission (FCC), the Department of Commerce's National Telecommunications and Information Administration (NTIA), and the Office of the U.S. Trade Representative will visit Mexico City October 30-31 for meetings with the Mexican Secretariat of Communications. The delegation will be headed by Ambassador Diana Lady Dougan, State's Coordinator for International Communication and Information Policy, and FCC Commissioner Henry Rivera. This will be the first formal issues with a country that is not a member of the organization for Economic Cooperation and Development (OECD) since the HF WARC meeting in 1983. Ambassador Dougan and Commissioner Rivera will also meet with officials of other Mexican government agencies concerned with these issues.

These consultations will cover a wide range of bilateral and multilateral matters including the policy ramifications of technological changes, bilateral coordination of domestic broadcasting, the future of the ITU and other UN organizations dealing with communications and information, upcoming ITU technical conferences, and communications development in the Third World.

For further information contact: T/CIP:Charles Loveridge 632-5832

PRESS
DEPARTMENT OF STATE

October 24, 1984
NO. 240

TOAST BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
TORONTO, CANADA
October 15, 1984

Mr. Minister and Mrs. Clark, I appreciate your toast and it is a pleasure to listen to a toast in another country, and when it's completed, be able to say "Where do I sign?" (It reflects the) importance of the relationship between our countries and the importance of working (things) out and all the other things you have been saying.

This has been a wonderful evening for me. This gathering has a great feeling. I don't know how, in your experience, you have done, but you can go to dinners and they are often pretty dead, you know. But this has life, and I remarked to my wife we are never going to get people through the receiving line; they all want to talk to each other. There's a spirit, and I was asking Mr. Clark a little bit about people who were here, and what I discovered was that there is a tremendous diversity here. There is Alex Colville representing, in a sense, painting; there are people here from the world of journalism; there are people from the performing arts; there are people in the sports world, there are people in the professions; there are businessmen and of course politicians. So there is a great sense of diversity. And I suppose, in a way, the diversity gives a sense of the Canadian identity. And in that sense, your identity is different from ours, and of course in that respect nevertheless, that is a similarity. We are very diverse in the United States, and somehow, out of this diversity, we think we have a more interesting identity than many countries that you see that are very homogeneous and where everything is pretty much the same. So I appreciate the diversity of your Canadian identity.

Now, having said that there is diversity and difference, there are obviously many things that we share. And it is because of the things that we share that, in our seperate ways, we find so much to do with each other. It isn't simply that we have the world's longest boundary and live next door to each other. But we do have common values, we do have common interests, of course we have this gigantic amount of trade between our countries that out-distances the trade between our two countries, and, in a different way from the way you put it, Joe, our largest trading partner for the United States is Canada and our second largest trading partner is the Province of Ontario. (Laughter)

So you can see how close to you we feel. And I support the celebrated feature of our relationship, that tremendous border, could be remarked upon, but last week the geographic significance kind of seemed to fade as Marc Garneau and his American colleagues voyaged in the trackless realms of space together. That was really quite a dramatic thing.

I had the privilege of meeting Joe Clark in New York at a little meeting there as part of the UN go-around. All the foreign ministers gather and we spend our time meeting with each other, and everybody's place is like a dentist's office. But we managed to have a pleasant extra dinner together and I met him again on this trip. And he's tough. I got here on an airplane at about 4:00 pm in the afternoon, drove into the hotel, got unpacked. Somebody knocked on the door -- "Mr. Clark says it's time to start the meeting." -- so off we went for a couple of hours or so of very strong exchange. And while it was pleasant, the pleasantries were quickly done away with, and we got right into the content of the things we had decided in advance we should exchange views upon. And we started in on economic issues; U.S. situation; Canadian situation; international problems that both of us look at and worry about. And we will go on tomorrow and talk about our common interests in reduction in armament, and East-West relations, and Central America, the Middle East and so forth. And then I suspect we will spend a good part of our time tomorrow morning reviewing the many bilateral issues that we have that just are nobody's business but ours.

And we have issues of the environment, we have trade issues of one kind or another. I suspect fish will come up. I found that you spend more time on fish in the foreign relations business than on anything else. In Japan our greatest problem right now is whales. We don't have that problem, but we do have lots of fish to fry.

But there are a great many bilateral issues and, as I reflect on them, having worked at this to some extent when I was in the government before, kept track of it, and then coming in again and

working at it some more, it's almost as though there is a constant inventory of problems, but they keep changing. That's a story, but I hope it's more and more on the basis of first in first out (to use a business term). As we cycle through and we look at these problems and try to surround the problems with a process that leads to solutions; as you said, disagreeing without being disagreeable, but nevertheless adding on to that a process that seeks to solve the problems that we have and then go on to the next ones.

We know that we are always going to have issues between us because there is so much traffic, there is so much going on. The job of the Foreign Ministries, I think, is to try to monitor that, and to keep track of what the issues are, keep them under control and get them solved and keep going on to the next thing so this relationship can continue to flourish and flourish and flourish to the mutual benefit of both our countries.

So, Joe, I look forward to our continuing relationship there, to our meetings, but more than that, to having the kind of contact not only ourselves but in our governments, but more than that -- the people of Canada and the people of the United States, to have such fabulous intimate relationships that we can do everything we can to see that it continues to be as strong and warm and worthwhile as it has been for so many years.

So I, in turn, would like to ask you to join me in a toast to Joe Clark and Maureen Clark, and as he did, to a warm, productive, and constructive relationship between Canada and the United States.

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PRESS
DEPARTMENT OF STATE

October 26, 1984
NO. 241

ADVISORY COMMITTEE ON HISTORICAL DIPLOMATIC DOCUMENTATION

Notice of Meeting

The Advisory Committee on Historical Diplomatic Documentation will meet on November 9, 1984, at 9:00 a.m. in Room 1107 of the Department of State.

The Advisory Committee advises the Bureau of Public Affairs, and in particular the Office of the Historian, concerning problems connected with preparation of the documentary series entitled Foreign Relations of the United States and other responsibilities of that Office. Of particular importance are editorial and publishing practice and questions related to declassification of official records as specified in Executive Order 12356 (April 2, 1982).

In accordance with Section 10(d) of the Advisory Committee Act (P.L. 92-463) it has been determined that certain discussions during the meeting will necessarily involve consideration of matters recognized as not subject to public disclosure under 5 U.S.C. 552 b (c)(1), and that the public interest requires that such activities be withheld from disclosure. The meeting will therefore be closed when such discussions take place, at 2:00 p.m., Friday, November 9.

Persons wishing to attend the meeting should come before 9:00 a.m. on November 9 to the Diplomatic Entrance of the Department of State at 22nd and C Streets, N.W., Washington, D.C. They will be escorted to room 1107 and at the conclusion of the open portion of the meeting back to the Diplomatic Entrance.

For further information contact:

PRESS
DEPARTMENT OF STATE

October 25, 1984
NO. 242

AS PREPARED FOR DELIVERY

TERRORISM AND THE MODERN WORLD

ADDRESS BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
BEFORE THE
PARK AVENUE SYNAGOGUE
NEW YORK, NEW YORK
October 25, 1984

For further information contact:

Park Avenue Synagogue Speech

Someday terrorism will no longer be a timely subject for a speech, but that day has not arrived. Less than two weeks ago, one of the oldest and greatest nations of the Western world almost lost its Prime Minister, Margaret Thatcher, to the modern barbarism that we call terrorism. A month ago the American Embassy Annex in East Beirut was nearly destroyed by a terrorist truck bomb, the third major attack on Americans in Lebanon within the past two years. To list all the other acts of brutality that terrorists have visited upon civilized society in recent years would be impossible here because that list is too long. It is too long to name and too long to tolerate.

But I am here to talk about terrorism as a phenomenon in our modern world -- about what terrorism is and what it is not. We have learned a great deal about terrorism in recent years. We have learned much about the terrorists themselves, their supporters, their diverse methods, their underlying motives, and their eventual goals. What once may have seemed the random, senseless, violent acts of a few crazed individuals has come into clearer focus. A pattern of terrorist violence has emerged. It is an alarming pattern, but it is something that we can identify and, therefore, a threat that we can devise concrete measures to combat.

The knowledge we have accumulated about terrorism over the years can provide the basis for a coherent strategy to deal with the phenomenon, if we have the will to turn our understanding into action.

The Meaning of Terrorism

We have learned that terrorism is, above all, a form of political violence. It is neither random nor without purpose. Today we are confronted with a wide assortment of terrorist groups which, alone or in concert, orchestrate acts of violence to achieve distinctly political ends. Their stated objectives may range from separatist causes to revenge for ethnic grievances to social and political revolution. Their methods may be just as diverse: from planting homemade explosives in public places to suicide car-bombings to kidnappings and political assassinations. But the overarching goal of all terrorists is the same: they are trying to impose their will by force -- a special kind of force designed to create an atmosphere of fear. The horrors they inflict are not simply a new manifestation of traditional social conflict; they are depraved opponents of civilization itself, aided by the technology of modern weaponry. The terrorists want people to feel helpless and defenseless; they want people to lose faith in their government's capacity to protect them and thereby to undermine the legitmacy of the government itself, or its policies, or both.

The terrorists profit from the anarchy caused by their violence. They succeed when governments change their policies out of intimidation. But the terrorist can even be satisfied if a government responds to terror by clamping down on individual rights and freedoms. Governments that overreact, even in self defense, may only undermine their own legitimacy, and they unwittingly serve the terrorists' goals. The terrorist succeeds if a government responds to violence with repressive, polarizing behavior that alienates the government from the people.

The Threat to Democracy

We must understand, however, that terrorism, wherever it takes place, is directed in an important sense against us, the democracies -- against our most basic values and often our fundamental strategic interests. Because terrorism relies on brutal violence as its only tool, it will always be the enemy of democracy. For democracy rejects the indiscriminate or improper use of force and relies instead on the peaceful settlement of disputes through legitimate political processes.

The moral bases of democracy -- the principles of individual rights, freedom of thought and expression, freedom of religion -- are powerful barriers against those who seek to impose their will, their ideologies, or their religious beliefs by force. Whether in Israel or Lebanon or Turkey or Italy or

West Germany or Northern Ireland, a terrorist has no patience for the orderly processes of democratic society, and, therefore he seeks to destroy it. Indeed, terrorism seeks to destroy what all of us here are seeking to build.

The United States and the other democracies are morally committed to certain ideals and to a humane vision of the future. Nor is our vision limited to within our borders. In our foreign policies, as well, we try to foster the kind of world that promotes peaceful settlement of disputes, one that welcomes beneficial change. We do not practice terrorism and we seek a world which holds no place for terrorist violence, a world in which human rights are respected by all governments, a world based on the rule of law.

And there is yet another reason why we are attacked. If freedom and democracy are the targets of terrorism, it is clear that totalitarianism is its ally. The number of terrorist incidents in totalitarian states is minimal and those against their personnel abroad are markedly fewer than against the West. And this is not only because police states offer less room for terrorists to carry out acts of violence. States that support and sponsor terrorist actions have managed in recent years to co-opt and manipulate the terrorist phenomenon in pursuit of their own strategic goals.

It is not a coincidence that most acts of terrorism occur in areas of importance to the West. More than 80 percent of

the world's terrorist attacks in 1983 occurred in Western Europe, Latin America, and the Middle East. Terrorism in this context is not just criminal activity, but an unbridled form of warfare.

Today, international links among terrorist groups are more clearly understood. And Soviet and Soviet-bloc support is also more clearly understood. We face a diverse family of dangers. Iran and the Soviet Union are hardly allies, but they both share a fundamental hostility to the West. When Libya and the PLO provide arms and training to the Communists in Central America, they are aiding Soviet-supported Cuban efforts to undermine our security in that vital region. When the Red Brigades in Italy and the Red Army Faction in Germany assault free countries in the name of Communist ideology, they hope to shake the West's self-confidence, unity, and will to resist intimidation. The terrorists who assault Israel -- and indeed the Marxist Provisional IRA in Northern Ireland -- are ideological enemies of the United States. We cannot and we will not succumb to the likes of Khomeini and Qaddafi.

We also now see a close connection between terrorism and international narcotics trafficking. Cuba and Nicaragua, in particular, have used narcotics smugglers to funnel guns and money to terrorists and insurgents in Colombia. Other Communist countries, like Bulgaria, have also been part of the growing link between drugs and terrorism.

We should understand the Soviet role in international terrorism without exaggeration or distortion. One does not have to believe that the Soviets are puppeteers and the terrorists marionettes; violent or fanatic individuals and groups can exist in almost any society.

But in many countries, terrorism would long since have withered away had it not been for significant support from outside. When Israel went into Lebanon in 1982, Israeli forces uncovered irrefutable evidence that the Soviet Union had been arming and training the PLO and other groups. Today, there is no reason to think that Soviet support for terrorist groups around the world has diminished. Here as elsewhere, there is a wide gap between Soviets words and Soviet deeds, a gap that is very clear, for instance, when you put Soviet support for terrorist groups up against the empty rhetoric of the resolution against so-called "state terrorism" which the USSR has submitted to this year's UN General Assembly. The Soviets condemn terrorism, but in practice they connive with terrorist groups when they think it serves their own purposes, and their goal is always the same: to weaken liberal democracy and undermine world stability.

The Moral and Strategic Stakes

The stakes in our war against terrorism, therefore, are high. We have already seen the horrible cost in innocent lives that terrorist violence has incurred. But perhaps even more

horrible is the damage that terrorism threatens to wreak on our modern civilization. For centuries mankind has strived to build a world in which the highest human aspirations can be fulfilled.

We have pulled ouselves out of a state of barbarism and removed the affronts to human freedom and dignity that are inherent to that condition. We have sought to free ourselves from that primitive existence described by Hobbes where life is lived in "continual fear and danger of violent death ... nasty, brutish, and short." We have sought to create instead a world where universal respect for human rights and democratic values makes a better life possible. We in the democracies can attest to all that man is capable of achieving if he renounces violence and brute force, if he is free to think, write, vote, and worship as he pleases. Yet all of these hard-won gains are threatened by terrorism.

Terrorism is a step backward; it is a step toward anarchy and decay. In the broadest sense, terrorism represents a return to barbarism in the modern age. If the modern world cannot face up to the challenge, then terrorism, and the lawlessness and inhumanity that come with it, will gradually undermine all that the modern world has achieved and make further progress impossible.

Obstacles to Meeting the Challenge

The magnitude of the threat posed by terrorism is so great that we cannot afford to confront it with half-hearted and poorly-organized measures.

Terrorism is a contagious disease that will inevitably spread if it goes untreated. We need a strategy to cope with terrorism in all of its varied manifestations. We need to summon the necessary resources and determination to fight it and, with international cooperation, eventually stamp it out. And we have to recognize that the burden falls on us, the democracies -- no one else will cure the disease for us.

Yet clearly we face obstacles, some of which arise precisely because we are democracies. The nature of the terrorist assault is, in many ways, alien to us. Democracies like to act on the basis of known facts and shared knowledge. Terrorism is clandestine and mysterious by nature. Terrorists rely on secrecy, and therefore it is hard to know for certain who has committed an atrocity.

Democracies also rely on reason and persuasive logic to make decisions. It is hard for us to understand the fanaticism and apparent irrationality of many terrorists, especially those who kill and commit suicide in the belief that they will be rewarded in the after-life. The psychopathic ruthlessness and

brutality of terrorism is an aberration in our culture and alien to our heritage.

And it is an unfortunate irony that the very qualities that make democracies so hateful to the terrorists -- our respect for the rights and freedoms of the individual -- also make us particularly vulnerable. Precisely because we maintain the most open societies, terrorists have unparalleled opportunity to strike at us. Terrorists seek to make democracies embattled and afraid, to break down democratic accountability, due process, and order; they hope we will turn toward repression, or succumb to chaos.

These are challenges we must live with. We will certainly not alter the democratic values that we so cherish in order to fight terrorism. We will have to find ways to fight back without undermining everything we stand for.

Combatting Moral Confusion

But there is another obstacle that we have created for ourselves that we should overcome -- that we must overcome -- if we are to fight terrorism effectively. The obstacle I am referring to is confusion.

We cannot begin to address this monumental challenge to decent, civilized society until we clear our heads of the confusion about terrorism, in many ways the moral confusion,

that still seems to plague us. Confusion can lead to paralysis, and it is a luxury that we simply cannot afford.

The confusion about terrorism has taken many forms. In recent years, we have heard some ridiculous distortions, even about what the word "terrorism" means. The idea, for instance, that denying food stamps to some is a form of terrorism cannot be entertained by serious people. And those who would argue, as recently some in Great Britain have, that physical violence by strikers can be equated with "the violence of unemployment," are, in the words of The Economist, "a menace to democracy everywhere." In a real democracy, violence is unequivocally bad. Such distortions are dangerous, because words are important. When we distort our language we may distort our thinking, and we hamper our efforts to find solutions to the grave problems we face.

There has been, however, a more serious kind of confusion surrounding the issue of terrorism: the confusion between the terrorist act itself and the political goals that the terrorists claim to seek.

The grievances that terrorists supposedly seek to redress through acts of violence may or may not be legitimate. The terrorist acts themselves, however, can never be legitimate.And legitimate causes can never justify or excuse terrorism. Terrorist means discredit their ends.

We have all heard the insidious claim that "one man's terrorist is another man's freedom fighter." When I spoke on the subject of terrorism this past June, I quoted the powerful rebuttal to this kind of moral relativism made by the late Senator Henry Jackson. His statement bears repeating today:

> "The idea that one person's 'terrorist' is another's 'freedom fighter' cannot be sanctioned. Freedom fighters or revolutionaries don't blow up buses containing non-combatants; terrorist murderers do. Freedom fighters don't set out to capture and slaughter school children; terrorist murderers do. Freedom fighters don't assassinate innocent businessmen, or hijack and hold hostage innocent men, women, and children; terrorist murderers do. It is a disgrace that democracies would allow the treasured word 'freedom' to be associated with acts of terrorists."

We cannot afford to let an Orwellian corruption of language obscure our understanding of terrorism. We know the difference between terrorists and freedom fighters, and as we look around the world, we have no trouble telling one from the other.

How tragic it would be if democratic societies so lost confidence in their own moral legitimacy that they lost sight of the obvious: that violence directed against democracy or the hopes for democracy lacks fundamental justification.

Democracy offers the opportunity for peaceful change, legitimate political competition, and redress of grievances. We must oppose terrorists no matter what banner they may fly. For terrorism in any cause is the enemy of freedom.

And we must not fall into the deadly trap of giving justification to the unacceptable acts of terrorists by acknowledging the worthy-sounding motives they may claim. Organizations such as the Provisional IRA, for instance, play on popular grievances, and political and religious emotions, to disguise their deadly purpose. They find ways to work through local political and religious leaders to enlist support for their brutal actions. As a result, we even find Americans contributing, we hope unwittingly, to an organization which has killed -- in cold blood and without the slightest remorse -- hundreds of innocent men, women, and children in Great Britain and Ireland; an organization which has assassinated senior officials and tried to assassinate the British Prime Minister and her entire cabinet; a professed Marxist organization which also gets support from Libya's Qadhafi and has close links with other international terrorists. The Government of the United States stands firmly with the Government of the United Kingdom and the Government of Ireland in opposing any action that lends aid or support to the Provisional IRA.

Moral confusion about terrorism can take many forms. When

two Americans and twelve Lebanese were killed at our Embassy Annex in East Beirut last month, for instance, we were told by some that this mass murder was an expression, albeit an extreme expression, of Arab hostility to American policy in the Middle East. We were told that this bombing happened because of a vote we cast in the United Nations, or because of our policies in Lebanon, or because of the overall state of our relations with the Arab nations, or because of our support for Israel. And we were advised by some that if we want to stop terrorism -- if we want to put an end to these vicious murders -- then what we need to do is change our policies. In effect, we have been told that terrorism is in some measure our own fault, and we deserved to be bombed. I tell you here and now that the United States will not be driven off or stayed from our course or change our policy by terrorist brutality.

We cannot permit ourselves any uncertainty as to the real meaning of terrorist violence in the Middle East, or anywhere else. Those who truly seek peace in the Middle East know that war and violence are no answer. Those who oppose radicalism and support negotiation are themselves the target of terrorism, whether they are Arabs or Israelis. One of the great tragedies of the Middle East, in fact, is that the many moderates on the Arab side -- who are ready to live in peace with Israel -- are threatened by the radicals and their terrorist henchmen, and are thus stymied in their own efforts for peace.

The terrorists' principal goal in the Middle East is to destroy any progress toward a negotiated peace. And the more

our policies succeed, the closer we come toward achieving our goals in the Middle East, the harder terrorists will try to stop us. The simple fact is, the terrorists are more upset about progress in the Middle East than they are about any alleged failures to achieve progress. Let us not forget that President Sadat was murdered because he made peace, and that threats continue to be issued daily in that region because of the fear -- yes, fear -- that others might favor a negotiated path toward peace.

Whom would we serve by changing our policies in the Middle East in the face of the terrorist threat? Not Israel, not the moderate Arabs, not the Palestinian people, and certainly not the cause of peace. Indeed, the worst thing we could do is change our principled policies under the threat of violence. What we must do is support our friends and remain firm in our goals.

We have to rid ourselves of this moral confusion which lays the blame for terrorist actions on us or on our policies. We are attacked not because of what we are doing wrong, but because of what we are doing right. We are right to support the security of Israel and there is no terrorist act or threat that will change that firm determination. We are attacked not because of some mistake we are making, but because of who we

are, and what we believe in. We must not abandon our principles, or our role in the world, or our responsibilities as the champion of freedom and peace.

The Response to Terrorism

While terrorism threatens many countries, the United States has a special responsibility. It is time for this country to make a broad national commitment to treat the challenge of terrorism with the sense of urgency and priority it deserves.

The essence of our response is simple to state: Violence and aggression must be met by firm resistance. This principle holds true whether we are responding to full-scale military attacks or to the kinds of low-level conflicts that are more common in the modern world.

We are on the way to being well prepared to deter an all-out war or a Soviet attack on our principal allies; that is why these are the least likely contingencies. It is not self-evident that we are as well prepared and organized to deter and counter the "gray area" of intermediate challenges that we are more likely to face -- the low intensity conflict of which terrorism is a part.

We have worked hard to deter large-scale aggression by strengthening our strategic and conventional defenses, by

restoring the pride and confidence of the men and women in our military, and by displaying the kind of national resolve to confront aggression that can deter potential adversaries. We have been more successful than in the past in dealing with many forms of low-level aggression. We have checked Communist aggression and subversion in Central America and the Caribbean and opened the way for peaceful, democratic processes in that region. And we successfully liberated Grenada from Marxist control and returned that tiny island to freedom and self-determination.

But terrorism, which is also a form of low-level aggression, has so far posed an even more difficult challenge, for the technology of security has been outstripped by the technology of murder. And, of course, the United States is not the only nation that faces difficulties in responding to terrorism. To update President Reagan's report in the debate last Sunday, since September first, 41 acts of terrorism have been perpetrated by no less than 14 terrorist groups against the people and property of 21 countries. Even Israel has not rid itself of the terrorist threat, despite its brave and prodigious efforts.

But no nation has had more experience with terrorism than Israel, and no nation has made a greater

contribution to our understanding of the problem and the best ways to confront it. By supporting organizations like the Jonathan Institute, named after the brave Israeli soldier who led and died at Entebbe, the Israeli people have helped raise international awareness of the global scope of the terrorist threat.

And Israel's contribution goes beyond the theoretical. Israel has won major battles in the war against terrorism in actions across its borders, in other continents, and in the Land of Israel itself. To its great credit, the Israeli government has moved within Israel to apprehend and bring to trial its own citizens accused of terrorism.

Much of Israel's success in fighting terrorism has been due to broad public support for Israel's anti-terrorist policies. Israel's people have shown the will, and they have provided their government the resources, to fight terrorism. They entertain no illusions about the meaning or the danger of terrorism. Perhaps because they confront the threat everyday, they recognize that they are at war with terrorism. The rest of us would do well to follow Israel's example.

But part of our problem here in the United States has been our seeming inability to understand terrorism clearly. Each

successive terrorist incident has brought too much self-condemnation and dismay, accompanied by calls for a change in our policies and our principles, or calls for withdrawal and retreat. We should be alarmed. We should be outraged. We should investigate and strive to improve. But widespread public anguish and self-condemnation only convince the terrorists that they are on the right track. It only encourages them to commit more acts of barbarism in the hope that American resolve will weaken.

This is a particular danger in the period before our election. If our reaction to terrorist acts is to turn on ourselves instead of against the perpetrators, we give them redoubled incentive to do it again, to try to influence our political processes.

We have to be stronger, steadier, determined, and united in the face of the terrorist threat. We must not reward the terrorists by changing our policies or questioning our own principles or wallowing in self-flagellation or self-doubt. Instead, we should understand that terrorism is aggression and, like all aggression, must be forcefully resisted.

The Requirements for an Active Strategy

We must reach a consensus in this country that our responses should go beyond passive defense to consider means of active prevention, pre-emption, and retaliation. Our goal must be to prevent and deter future terrorist acts, and experience has taught us over the years that one of the best deterrents to terrorism is the certainty that swift and sure measures will be taken against those who engage in it. We should take steps toward carrying out such measures. There should be no moral confusion on this issue. Our aim is not to seek revenge, but to put an end to violent attacks against innocent people, to make the world a safer place to live for all of us. Clearly, the democracies have a moral right, indeed a duty, to defend themselves.

A successful strategy for combatting terrorism will require us to face up to some hard questions and to come up with some clear-cut answers. The questions involve our intelligence capability, the doctrine under which we would employ force, and, most important of all, our public's attitude toward this challenge. Our nation cannot summon the will to act without firm public understanding and support.

First, our intelligence capabilities, particularly our human intelligence, are being strengthened. Determination and capacity to act are of little value unless we can come close to answering the questions: who? where? and when?. We have to do a better job of finding out who the terrorists are, where they are, and the nature, composition, and patterns of behavior of terrorist organizations. Our intelligence services are organizing themselves to do the job, and they must be given the mandate and the flexibility to develop techniques of detection and contribute to deterrence and response.

Second, there is no question about our ability to use force where and when it is needed to counter terrorism. Our nation has forces prepared for action -- from small teams able to operate virtually undetected, to the full weight of our conventional military might. But serious issues are involved -- questions that need to be debated, understood, and agreed if we are to be able to utilize our forces wisely and effectively.

If terrorists strike here at home, it is a matter for police action and domestic law enforcement. In most cases overseas, acts of terrorism against our people and installations can be dealt with best by the host government and its forces. It is worth remembering that just as it is the responsibility of the United States Government to provide security for foreign embassies in Washington, so the internationally agreed doctrine is that the security of our

embassies abroad in the first instance is the duty of the host government, and we work with those governments cooperatively and with considerable success. The ultimate responsibility of course is ours, and we will carry it out with total determination and all the resources available to us. Congress, in a bipartisan effort, is giving us the legislative tools and the resources to strengthen the protection of our facilities and our people overseas -- and they must continue to do so. But while we strengthen our defenses, defense alone is not enough.

The heart of the challenge lies in those cases where international rules and traditional practices do not apply. Terrorists will strike from areas where no governmental authority exists or they will base themselves behind what they expect will be the sanctuary of an international border. And they will design their attacks to take place in precisely those "gray areas" where the full facts cannot be known, where the challenge will not bring with it an obvious or clear-cut choice of response.

In such cases we must use our intelligence resources carefully and completely. We will have to examine the full range of measures available to us to take. The outcome may be that we will face a choice between doing nothing or employing military force. We now recognize that terrorism is being used by our adversaries as a modern tool of warfare. It is no aberration. We can expect more terrorism directed at our

strategic interests around the world in the years ahead. To combat it we must be willing to use military force.

What will be required, however, is public understanding before the fact of the risks involved in combatting terrorism with overt power.

The public must understand before the fact that there is potential for loss of life of some of our fighting men and the loss of life of some innocent people.

The public must understand before the fact that some will seek to cast any preemptive or retaliatory action by us in the worst light and will attempt to make our military and our policy-makers -- rather than the terrorists -- appear to be the culprits.

The public must understand before the fact that occasions will come when their government must act before each and every fact is known -- and that decisions cannot be tied to the opinion polls.

Public support for U.S. military actions to stop terrorists before they commit some hideous act or in retaliation for an attack on our people is crucial if we are to deal with this challenge.

Our military has the capability and the techniques to use power to fight the war against terrorism. This capability will be used judiciously. To be successful over the long term, it will require solid support from the American people.

I can assure you that in this Administration our actions will be governed by the rule of law; and the rule of law is congenial to action against terrorists. We will need the flexibility to respond to terrorist attacks in a variety of ways, at times and places of our own choosing. Clearly, we will not respond in the same manner to every terrorist act. Indeed, we will want to avoid engaging in a policy of automatic retaliation which might create a cycle of escalating violence beyond our control.

If we are going to respond or pre-empt effectively, our policies will have to have an element of unpredictability and surprise. And the prerequisite for such a policy must be a broad public consensus on the moral and strategic necessity of action. We will need the capability to act on a moment's notice. There will not be time for a renewed national debate after every terrorist attack. We may never have the kind of evidence that can stand up in an American court of law. But we cannot allow ourselves to become the Hamlet of nations, worrying endlessly over whether and how to respond. A great nation with global responsibilities cannot afford to be

hamstrung by confusion and indecisiveness. Fighting terrorism will not be a clean or pleasant contest, but we have no choice but to play it.

We will also need a broader international effort. If terrorism is truly a threat to Western moral values, our morality must not paralyze us; it must give us the courage to face up to the threat. And if the enemies of these values are united, so too must the democratic countries be united in defending them. The leaders of the industrial democracies, meeting at the London Summit in June, agreed in a joint declaration that they must redouble their cooperation against terrorism. There has been follow-up to that initial meeting, and the United States is committed to advance the process in every way possible. Since we, the democracies, are the most vulnerable, and our strategic interests are the most at stake, we must act together in the face of common dangers? For our part, we will work whenever possible in close cooperation with our friends in the democracies.

Sanctions, when exercised in concert with other nations, can help to isolate, weaken, or punish states that sponsor terrorism against us. Too often, countries are inhibited by fear of losing commercial opportunities or fear of provoking a bully. Economic sanctions and other forms of countervailing pressure impose costs and risks on the nations that apply them, but some sacrifices will be necessary if we are not to suffer

even greater costs down the road. Some countries are clearly more vulnerable to extortion than others; surely this is an argument for banding together in mutual support, not an argument for appeasement.

If we truly believe in the values of our civilization, we have a duty to defend them. The democracies must have the self-confidence to tackle this menacing problem or else they will not be in much of a position to tackle other kinds of problems. If we are not willing to set limits to what kinds of behavior are tolerable, then our adversaries will conclude that there are no limits. As Thomas Jefferson once said, when we were confronted with the problem of piracy, "an insult unpunished is the parent of others." In a basic way, the democracies must show whether they believe in themselves.

We must confront the terrorist threat with the same resolve and determination that this nation has shown time and again throughout our history. There is no room for guilt or self-doubt about our right to defend a way of life that offers all nations hope for peace, progress, and human dignity. The sage Hillel expressed it well: "If I am not for myself, who will be? If I am for myself alone, who am I?"

As we fight this battle against terrorism, we must always keep in mind the values and way of life we are trying to protect. Clearly, we will not allow ourselves to descend to

the level of barbarism that terrorism represents. We will not abandon our democratic traditions, our respect for individual rights, and freedom, for these are precisely what we are struggling to preserve and promote. Our values and our principles will give us the strength and the confidence to meet the great challenge posed by terrorism. If we show the courage and the will to protect our freedom and our way of life, we will prove ourselves again worthy of these blessings.

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Q&A Session
BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
BEFORE THE
SHERR LECTURE
PARK AVENUE SYNAGOGUE
50, EAST 87th STREET, NEW YORK CITY
THURSDAY, OCTOBER 25, 1984, 9:05 P.M.

RABBI JUDAH NADICH: Ladies and Gentlemen, Secretary Shultz has been gracious enough to say that he will take some questions from the floor for a limited period of time.

Ushers will be walking the aisles with portable microphones on the main floor. May I ask you to make your question as brief as possible. It should be a question and not a speech. And, further, it would be helpful if the question were linked with the address of the Secretary this evening (Laughter) and were not to be associated with somehow or other a political campaign somewhere. (Laughter)

So then we are ready for the first question. Would you kindly raise your hand if you have a question; the usher will proceed to you with a microphone.

QUESTION: Doctor Shultz, I am not sure of your definition of "arrogant terrorism." You seem to have a black and white approach, and I'm not certain. Just as an example, was the bombing of the King David Hotel in Israel an act terrorism or as political opposition -- felt an act of self-defense, or public revolutions, the American

Revolution, civil war, etc, is this terrorism? Or how do you define "terrorism" and separate it from political action, separate it from assassination or murder?

Thank you.

SECRETARY SHULTZ: People who are fighting for their freedom, or their country, are entitled to take upon themselves means to get out -- those who would deny them that freedom or that country.

We see this around the world right now. I'll give an example. The Freedom Fighters in Afghanistan: Their country has been invaded, and they are resisting it. They are trying to get at the forces that are opposing them. They aren't the ones who are burning villages in Afghanistan. That's being done by the invading forces. In fact, I would say the invading forces are, in this case, the terrorists.

So I don't see that it's so difficult to make the distinction. (Applause)

RABBI NADICH: Instead of raising your hand toward the pulpit, if you would try to catch the eye of an usher with a microphone, it would be more helpful.

Suppose we go to this side of the room at this time.

QUESTION: Mr. Secretary --

SECRETARY SHULTZ: You have to watch out for that business of catching somebody's eye. I'm reminded of a gravestone I once saw in Italy.

It said "Here lies Giuseppe. He was a waiter. God caught his eye." (Laughter; Applause)

QUESTION: Mr. Secretary, Are you aware that our Synagogue--

SECRETARY SHULTZ: I'm sorry; I'm not hearing you.

RABBI NADICH: You're speaking too rapidly.

QUESTION: Are you aware that our Synagogue in Nicaragua was confiscated four years ago? And, if you are, what are you going to do about it?

(Laughter)

SECRETARY SHULTZ: Well, yes, I am. I guess everybody heard the question.

I think that the atrocities committed by the present Government of Nicaragua against their own people -- in this case, Jewish people, but they have perpetrated atrocities against the Misura Indians, for example, and others -- are totally reprehensible. We have said so, and the President makes no bones about his attitude about that.

To us it is hardly surprising that there are people who go under the general name of "contras" who are opposing that government, and we admire them.

I don't want to -- no, I won't give a lecture about Central America.

(Laughter) I'll stop there.

QUESTION: Secretary of State Shultz, I think in the early 1800's, the Barbary pirates -- they sent the Marines to the shores of Tripoli. Why don't they do something about Qadhafi; not only this country but everywhere?

(Applause).

SECRETARY SHULTZ: It sort of goes to a tune that I know very well from my World War II days. (Singing) "From the Halls of Montezuma to the shores of Tripoli." That's what you're talking about.

Well, of course, we have to gauge our situation, and we don't want to just go around the world throwing our weight around. But there's no question about the fact that Qadhafi has been extremely provocative. His behavior, whether it is in London, whether it is in Chad, whether it is quite possibly in other areas in the Middle East, is simply unacceptable.

I think that fact is becoming more and more visible. That is a case where we have sought to isolate that country by diplomatic means, by economic means. We try to discourage, in every way we can, economic relations with Libya, although it was an example of the kind of problem I had in mind in my talk in saying that economic sanctions work if countries will gather together and apply them on a unified basis.

It is unfortunate that we haven't been able to organize people -- other countries -- who have very extensive

economic relations with Libya to help do something about it, but I take your point.

QUESTION: Mr. Secretary, I think there is very deep concern of many American Jews that relates to the curious geography of Israel which, as you well know, sir, in its center portion is shaped something like an hourglass; and we are deeply fearful that in the event that the West Bank is ultimately placed in the hands of hostile forces that this could result in Israel being divided in two and thus deeply imperiled.

Would you be good enough, sir, to give us your view as to the probable course, from your vantage point, of future negotiations for the West Bank?

SECRETARY SHULTZ: Let me say that it is extremely important, I think, for the United States and for Israel and for the countries of the Middle East to have going a genuine peace process. Because -- I think, anyway -- it is absolutely true that the real security over the long run has got to be some kind of stability borne of acceptance of Israel in its neighborhood making peace somehow.

In order to make peace, you have to be willing -- you have to be able -- to sit down and talk with representatives of those neighboring states, and I have absolutely no doubt that Israel is ready to do that.

In fact, as it happened by chance, I was in Israel with my wife right after Sadat's visit to Jerusalem but before anything much else had happened, and you could feel it in the air, the yearning for peace. People could see not that peace was probable but just that it was possible. So I don't have any doubt in my mind that Israel wants to have a peaceful relationship with its neighbors.

It's also obviously true that Israel must look to its security. And if it is not able to take care of its security, then obviously it ceases to exist; and even beyond that, its bargaining power in any negotiation is steeply reduced. So that has to be and is properly a very important part of any negotiation that might take place.

We would love to see a peace process get going again in a constructive way. We're heavily engaged in trying to help do that, although with a low profile. A low profile doesn't mean we aren't working at it.

Insofar as the problem you mentioned explicitly, the hourglass or the narrowness of that neck, obviously that presents problems. And if there is, at some point, a serious negotiation about the West Bank in some manner, the security needs, as they may be called for out of the geography, have to be taken into account. Just how that would happen and where lines would be drawn very much remains to be seen, but it's an obvious consideration. No doubt about it.

QUESTION: Mr. Secretary, I agree with you that we must be very careful in the uses of the word "terrorism" because it's used in many ways. But I think there are a few people who live in democracies who would dispute the definition of the apartheid regime of South Africa as a terrorist regime that uses terror against its own citizens, especially the native citizens of South Africa.

I would like to ask you why the United States continues to support, in its own way, the policies of that regime, and why the United States doesn't take a more firm position against it?

(Applause).

SECRETARY SHULTZ: Our position against apartheid couldn't be stronger. The President has been unequivocal in his condemnation of it. And if what you're referring to is the vote the other day in the United Nations in which we abstained, you should read the eloquent statement with a quotation from the President that Jeane Kirkpatrick made in explaining our attitude at that time.

There are many times when we feel that language used goes beyond what we think is appropriate, and we will abstain but make an explanatory statement designed to make our view clear.

We find lots of times people make inflammatory statements about Israel, for example, in United Nations resolutions of one kind or another. And then the action that's involved sometimes is not anything that is that important. But we still will say we don't go along with that language, so on the basis of that we take a position.

But as far as southern Africa is concerned, as well as South Africa as such -- South Africa, we are unequivocal in our opposition to apartheid. There is no question about the fact that there will never be a stable and peaceful

situation in southern Africa as long as apartheid exists. I don't doubt that in the slightest. And we have to keep hammering away on that.

At the same time, there is -- life goes on in southern Africa, and there is a tremendous amount of violence, and has been. So we regard it as a plus that we have managed to help bring about the Nkomati report between South Africa and Mozambique. We regard it as a plus that we've managed to help bring about a disengagement in Angola and move the process very far along toward independence for Namibia which necessarily involves the withdrawal of Cuban troops from Angola.

And if you think that you can work on those problems, or, for that matter, have an impact in South Africa -- if your human rights policy consists of saying, "I don't like it; therefore, I'm going to wash my hands of the whole thing and walk away," well, that's not effective.

Our policy is to care and to work at these things but to be engaged. I think that the diplomacy of the President's in southern Africa has been one of the most interesting and potentially constructive untold stories around. I give a tremendous amount of the credit for it to two tireless diplomats, Chet Crocker and Frank Wisner. They're practically never in Washington; they're always out there in the region. We have worked very hard on that.

(Applause)

RABBI NADICH: We have time for one question more. Someone with a microphone?

QUESTION: Mr. Secretary, I'm a Swedish Jew, rather neutral.

SECRETARY SHULTZ: "Rather neutral," did you say?

QUESTION: (Inaudible) since Arab oil-producing nations have agreed in 1978 to give enough support to Arab countries that border Israel. To do what? To terrorize Israel? Israel is not attacking anyone. And I would like, Mr. Secretary, for you to tell me what is the purpose of denouncing that (inaudible) on the border, and for what purpose you're preparing.

SECRETARY SHULTZ: I got the general tone, but I couldn't get the content of your question. But maybe you could help me. (Indicating to Rabbi Nadich)

RABBI NADICH: Could you restate the question in just a few words; just a few words. Give us the gist of your question?

QUESTION: The question is, the Arab oil-producing states agreed in 1978 to give national support to Arab countries that border Israel. And my question is, for what purpose if not to terrorize Israel?

SECRETARY SHULTZ: I don't know whether people understood that or not.

"Arab oil-producing states agreed to give support to Arab countries surrounding Israel, and what was the purpose other than to terrorize Israel." Is that correct? I think you're referring -- I think there was a Baghdad agreement about that time under which certain payments have been made.

I think, with all due recognition of the hostility toward Israel in the region, that the countries there do have economic development needs. They do have problems that they try to serve through that kind of aid, and I think that Saudi Arabia, Kuwait and the Gulf States, generally, were the donors -- if I'm having the right funds in mind -- and for the most part they have been devoted to economic development in those countries.

In the case of Syria, even though that may be the case, there is a strong military dimension that we have seen emerging, and we have seen it in Lebanon and we see it in various other ways. And money being fungible, obviously, if you get more to do one thing, that releases funds to do something else. But I think when it comes to funds that have gone to Jordon or Egypt, for example, that probably the uses have been benign from the standpoint of Israel.

It is something to think about, to recognize that the real rates of growth of gross national product, in the countries surrounding Israel, has been going on at a rate of 7, 8, and 9 percent per year in recent times. Whereas, in the last 4 or 5 years, the rate of real growth of the Israeli economy has been very low -- in the two percent range -- and it is essentially a stagnant economy now with the savings rate having fallen drastically. The amount of investment is low, and we all know and recognize the difficult state of the Israeli economy.

I think -- speaking for myself and I believe speaking for

the President, perhaps for the country -- that it is very important for the United States to help Israel regain the tremendous momentum it had in its economy of an earlier time. Just as I think it is perfectly understandable that Arab countries will want economic development, so we must do our part to help Israel regain the kind of economic development that will make it healthy and will better able it to protect itself adequately.

(Applause).

RABBI NADICH: I recognized the gentleman to the left here before we heard the question come from the right, and I'm going to recognize him. But before I do -- and this will be the last question -- may I ask you to be kind enough to show the courtesy to the Secretary by not leaving until he leaves. It will be only a few moments after the last question, so be good enough to cooperate in that respect.

Now, sir?

QUESTION: Mr. Secretary, the proposals you've outlined tonight to deal with terrorism are some of the strongest said publicly by any Administration official.

In fact, the President, during the debate on Sunday, was somewhat reticent to respond quickly to terrorist acts, saying to Mr. Mondale, "We want to know when we retaliate that we retaliate with those who are responsible for the terrorist acts." He said that we want to avoid the death of any innocent civilians.

I wonder, have you discussed these specific proposals with the President, and is there some contradiction with the policies that have been outlined by other members of the Administration?

SECRETARY SHULTZ: No. What I have said is completely consistent with what the President said in the debate. And if you recall from my comments, I laid a lot of emphasis on the importance of improving our intelligence, particularly our human intelligence which is what you need to have to really understand what's going on.

So if we are to pre-empt something, we have to have the intelligence to know what is being planned and where. If we are going to respond to something, we have to have good intelligence to know that we are responding, making allowances for the fact that you can't be absolutely sure

and perfectly -- have all the fact, although sometimes you can. But we are responding to a threat that is definitely identified. That is what the President had on his mind.

(Applause).