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Political reality in the Middle East

WHY ISRAEL CAN'T TAKE "BOLD STEPS" FOR PEACE

BY CONOR CRUISE O'BRIEN

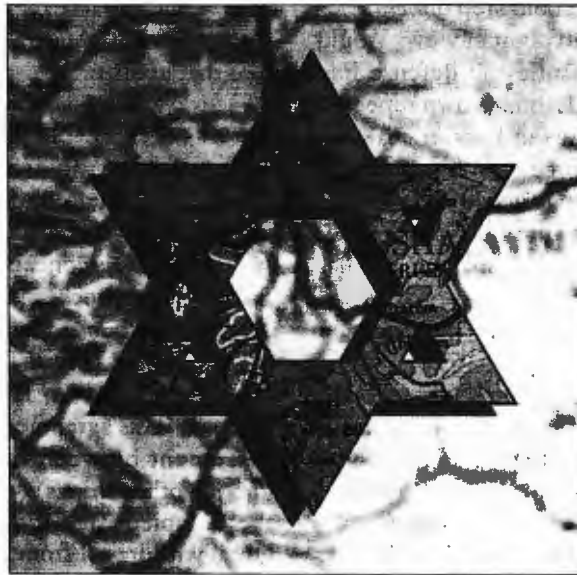
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AFTER THE ISRAELI ELECTIONS of July, 1984, had resulted in a "hung" Knesset, a spokesman in Washington commented that the results were regrettable, because they did not show good prospects for the kind of "bold steps" that would be necessary to advance the "peace process."

As far as it concerned the immediate situation, the spokesman's comment was well founded. The government that eventually emerged from that hung Knesset—the Government of National Unity, with Shimon Peres as prime minister and Yitzhak Shamir (Menachem Begin's successor as Likud's leader) as deputy prime minister and foreign minister—is inherently incapable of taking the kind of bold steps the spokesman had in mind; it would disintegrate if it tried to take such steps, and perhaps even if it seemed to want to move in that general direction. But what is questionable is the implicit assumption that there must be *some* kind of electoral results possible in Israel that could lead to the taking of the desired bold steps: that is, to Israel's withdrawal from all or almost all of the West Bank, and the creation of some kind of Palestinian political entity there, perhaps in association with Jordan, linked to Israel by treaty.

Consider the electoral result that is most favorable in terms of the "territory for peace" idea (and that is at all likely). The most favorable result would be one that would lead to a coalition government formed by the Labour alignment with the two dovish parties to the left of it—Shinui and the Citizens' Rights Movement—as its partners.

What kind of bold steps could a government of that kind take? It could offer to Jordan *some* of the West Bank in exchange for a peace treaty. That is Labour's famous—and by now somewhat decrepit—Jordanian option. But it is a heavily hedged option as Labour has explained it in successive elections, including that of 1984. Jordan would not get back East Jerusalem: Jerusalem would remain a united city and the capital of Israel. Israel would also retain



its defensive line and the line of Jewish settlements all along the western bank of the River Jordan, with all the concomitant rights of military access across the general territory of the West Bank.

Labour's Jordanian option is in fact no more than the old Allon Plan, which was originally prepared by Yigal Allon (the deputy prime minister in Levi Eshkol's government in the aftermath of the Six-Day War) and which has been frequently revised since then. Now, the Allon Plan, in all versions and aspects, and under all labels, has been consistently and scornful-

ly rejected by Jordan over more than fifteen years. (It has never been endorsed by the United States.) King Hussein, or any successor of Hussein's, would be running very serious risks if he concluded *any* peace treaty with Israel, even one that gave him back all Jordan's lost territory. But if he were to sign a treaty that left Israel in possession of all Jerusalem, and of the line along the western bank of the river, he would probably be committing suicide for himself and his dynasty—which he is unlikely to do.

It seems to be generally assumed, however, that a Labour coalition could be persuaded, or pressured, by the United States to "raise the ante" on its Jordanian option, to such an extent as to make it attractive to the Jordanians, as well as to most of the Arab population of the West Bank.

This, too, seems to me exceedingly unlikely. A Labour coalition would immediately be in dire trouble if the Jordanian option—even in its traditional form—were to enter the domain of practical politics and the actual handing over of parts of the West Bank to Arab control had to be debated in the Knesset and in the country. Likud and its allies of the even harder nationalist right and of the religious right would raise the flag of Masada. Labour and its allies would be branded as traitors for their willingness to abandon any part of the sacred soil of Judea and Samaria. The debate would become superheated and envenomed, with inci-

dents of violence and at least some of the overtones of incipient civil war.

Facing this tremendous emotional assault from the right, the Labour alignment—whatever may be true of its allies—would not be able to count on unity within its own ranks. Recent polls show that 30 percent of Labour supporters are now against giving up any part of Judea and Samaria. Thus the effort to implement the Jordanian option would precipitate not only a major political crisis in Israel generally but also an agonizing crisis within the Labour alignment.

Can it be seriously imagined that in those conditions any Labour-led coalition would take the bold step of *improving* on the Jordanian option from an Arab point of view? Would Labour and its allies offer to dismantle the defense line along the River Jordan, contrary to Labour's own repeated pledges, thus bringing down against the Labour coalition the weight of the Israel Defence Force establishment? Or would they offer to abandon East Jerusalem, with the Western Wall—the main remains of the Second Temple, sacred to all religious Jews and the prime focus of the national sentiment of secular Zionists also? Or to widen the Jordanian option so as to include the Palestine Liberation Organization?

It is rather clear that if Labour attempted any of those things, it (like Hussein) would be committing political suicide. The Jordanian option is really safe for Labour only as long as the Jordanians refuse to touch it. So the practical and cautious politicians who make up the Labour leadership seem likely to emphasize, as they have in the past, precisely those aspects of their Jordanian option that are most unpalatable to the Jordanians—thus prolonging an impasse that to Labour is vastly preferable, in terms of the internal politics of Israel, to the agonizing attempt at a negotiated solution.

It is true that future governments of Israel—of whatever complexion, but especially Labour—are likely to come under pressure, whether real or ostensible, from the United States to take those bold steps necessary for the pursuit of the peace process. The Reagan Plan, announced on September 1, 1982, envisioned “self-government by the Palestinians of the West Bank and Gaza, in association with Jordan.” That plan was immediately rejected by the Begin government, but the backers of the plan seem still to hope that it may yet be accepted by a successor Israeli government, under a suitable degree of pressure. No government with Likud in it could give in to such pressure without making nonsense of Likud's whole tradition and deepest commitment. But even a Labour government is likely to prefer resistance to such U.S. pressure—resistance with the backing of a great majority in Israel—to the grisly internal consequences likely to follow the taking of those bold steps.

Neither the Jordanian option nor the Reagan Plan nor any variant of these has the capacity for coming to fruition. (Some cynical observers of the internal political situation in Israel believe, however, that Mr. Peres may, perhaps be-

fore the end of this year, make a high-profile move in the ostensible direction of “territory for peace,” in order to force the resignation of his Likud colleagues from government, thus annulling the consequences of the agreement to allow Likud to accede to the premiership two years after the formation of the Government of National Unity. That seems a rather startling hypothesis, but even if well founded, it does not invalidate the analysis above. Those who attribute such an intent to Mr. Peres do not suppose that he would seriously persist with “territory for peace”—certainly not beyond Allon Plan limits—once he had attained his internal political purpose. Yet even a feint in that direction would be an exceptionally high-risk exercise in Machiavellianism. And then again, perhaps Mr. Peres is not like that at all.)

BUT SUPPOSE—*PER IMPOSSIBILE*—THAT SOME VARIANT of the Reagan Plan did come to pass. Let us take one of the rosier possible hypotheses where the peace process is concerned. Let us suppose that the rather flickering rapprochement of 1983 between Hussein and Yasser Arafat consolidates itself, as appeared to be happening in the first half of 1985. On February 23 the text of a settlement between Hussein and Arafat was released in Amman. This agreement could scarcely be the basis for an agreement between the parties and Israel. It demands (among other things) “termination of Israeli occupation of the occupied Arab territories, including Jerusalem,” and “total withdrawal from the territories occupied in 1967 for comprehensive peace as established in United Nations and Security Council resolutions.” It contains no reference to recognition of Israel within its pre-June, 1967, boundaries, and uses language that seems incompatible with such recognition: “Palestinians will exercise their inalienable right of self-determination. . . .” The document also calls for the inclusion in any peace conference (along with the five permanent members of the Security Council and “the parties to the conflict”) of “the Palestine Liberation Organization, the sole legitimate representative of the Palestinian people.”

On the face of it, this is not a very promising peace overture. However, President Hosni Mubarak's follow-up call for direct negotiations, in the United States, between Israel and a “joint Jordanian-Palestinian delegation” (without naming the PLO as a participant) was distinctly more interesting to Israel, and met with a cautiously positive response from Shimon Peres. In the first half of 1985 Secretary of State Shultz appeared moderately hopeful about the possibilities for negotiation, especially in the light of various encouraging statements from Hussein. Potential Palestinian negotiators were being designated and were under consideration by the State Department.

Let us suppose that the Hussein-Arafat rapprochement, as followed up by Mubarak, leads to the most favorable of possible results: Arafat publicly and explicitly announces his willingness to recognize Israel within its pre-June,

1967, limits (subject to a few minor variations), and Israel then accepts Arafat's PLO as a partner, along with Jordan, in direct negotiations. Hussein and Arafat are ready to cooperate on the basis of the Reagan Plan, which thus has the backing of the present leader of "the sole legitimate representative of the Palestinian people." Israel is ready to withdraw to its pre-June, 1967, frontiers (with minor variations) in exchange for recognition, within these frontiers, by the PLO and Jordan.

We are piling improbability on staggering improbability here, but not any more than certain respected editorial writers are doing all the time.

On this basis Israel hands over almost the whole of the West Bank to some kind of Hashemite-Arafat federation or confederation (we will consider the alternative of a full-fledged Palestinian state later). By this time Israel has given up a lot of territory, in exchange for peace. How much peace will Israel actually have gotten in exchange for that territory?

Peace, presumably, with Arafat and Hussein. But how much peace will Arafat and Hussein get, or have in their gift? Can anyone suppose that all, or almost all, of the PLO would go along with that deal, or any deal? The deal would likely be denounced, with the usual vehemence, both by the left-wing factions of the PLO and by the Syrian-controlled factions, and all those factions might well gain new adherents, through further defections from Arafat's Fatah. Syria, orchestrating its PLO factions with its usual ruthless skill, would be likely to make life very hot (by the methods it has successfully used in Lebanon) on the West Bank, and perhaps also in Jordan, for Arafat, Hussein, and their friends—even if their combined friends were in a majority in the territory, as they might well be. (Majorities and minorities are not such important concepts in this context as some Western commentators tend to assume.) In these conditions the territories formerly occupied by Israel—and evacuated in exchange for peace—would likely become a happy hunting ground for fedayeen (Arab guerrilla) activity directed against all the parties to the detested treaty. The chief Arab parties might well not survive, and the treaty might perish with them. Nor would the ensuing conditions be at all preferable, from the point of view of West Bank Arabs, to conditions under Israeli rule.

It is true that the moderate Arab states—Egypt and Saudi Arabia—would be likely to approve the "territory for peace" arrangements described, but on one condition: that the territories transferred by Israel to Arab rule included East Jerusalem. Failing that, the deal would be denounced by virtually the whole Arab and Moslem world. And it is as certain as anything can be that the state of Israel will not give up any part of its capital, Jerusalem, in exchange for anything at all, even peace.

The option of a Palestinian state on the West Bank has also to be considered. Since this option is firmly rejected by both main parties in Israel, as well as by most of the smaller parties and by the great majority of the population of Israel, the Palestinian state is even less likely, if

that is possible, to come to fruition than the Jordanian option.

Still, the idea of the Palestinian state has to be considered, since it has the backing, or apparent backing, of the Arab states, even the moderate ones. It is central to the revised Fahd plan, as endorsed by the second Fez summit, in September, 1982, after the expulsion of the PLO from Beirut, and by many resolutions of the General Assembly.

The Palestinian state is expected—both by its advocates and by its opponents—to be under some form of control by the PLO, "the sole legitimate representative of the Palestinian people," as the PLO was defined by the Arab summit at Rabat in 1974 and in every major communiqué from the Arab states since then. Almost all Israelis would regard such a state as an immediate threat to the security of their own state and a longer-term threat to its existence. They believe that the PLO would accept the mini-state on the West Bank as a step in the direction of its real objective, which remains all of Palestine. They also believe that the PLO would use that mini-state as a base for the destabilization of both Jordan and Israel, with Jordan first on the list. On that last point King Hussein is known to be in agreement. However, a number of distinguished and influential outside observers believe that Israeli fears on the point are illusory and that a Palestinian state could peacefully and happily coexist with an Israel withdrawn to the frontiers it had before June, 1967. They point—as Noam Chomsky does repeatedly in *The Fateful Triangle*—to a number of statements permitting that inference, made by Arafat and some of his associates, generally in Western contexts. As against all that, Israelis point to at least an equal number of PLO statements to a contrary effect—usually in Arabic and some also by Arafat—and to the PLO's constitution, the Palestinian National Covenant, which is clearly incompatible with the existence of the Jewish state.

It is probably unnecessary to pay much attention to either set of statements. It is fairly obvious that in the highly unlikely event of a deal between Israel and the PLO over the West Bank, the PLO would be hopelessly split. Indeed, it is split already. The left-wing factions and the Syrian-controlled factions would launch murderous attacks on the "traitors" (as in the Hussein-Arafat scenario). The Palestinian state, long before it could destabilize others, would be likely to lose all stability itself. The Palestinian state, if ever founded, would be apt to collapse almost immediately. But it is altogether unlikely ever to be founded.

IT SEEMS TO FOLLOW THAT EXCHANGING TERRITORY for peace—attractive as that concept is—is not a feasible option for the West Bank. It looks as if Israel will remain in control of the West Bank for a long time. Many Israelis—and others—view that prospect with deep misgivings, and they are quite right to do so. But, misgivings or not, that seems to be the prospect that is actually there.

The really pressing questions now concern not the fu-

ture of the territories but the future of their Arab inhabitants. In the ten years after June of 1967 the Open Bridges policy and Israel's little-heralded "adversarial partnership" with Jordan (in Ian Lustick's phrase) led to a kind of working arrangement on the West Bank whereby the Arab inhabitants were left as far as possible to their own devices and allowed to continue to feel part of the Arab world. This arrangement—inspired mainly by Moshe Dayan—allowed the Arab population to develop peacefully and to attain a considerable degree of prosperity. Civil administration and Arab education on the West Bank remained generally under Jordanian control, and the Jordanian dinar remained legal tender on the West Bank.

In the following years, especially from 1980 on, the Likud pressure for augmenting Jewish settlements (often close to densely populated Arab areas), combined with the manipulations of Begin-style autonomy, made for increased Arab unrest and some violence. The old working arrangement, amounting to a kind of tacit condominium between Israel and Jordan over the West Bank, was strained by these developments but did not collapse.

There was, moreover, an evident and apparently growing tendency on the far right of the Israeli political spectrum to deliberately provoke the West Bank Arabs, in the apparent hope of inflaming violence, which would have to be met by Israeli repression, in a cycle that could eventually force the Arab population out.

Currently, the living symbol of this tendency is the right-wing fanatic Rabbi Meir Kahane, whose election to the Knesset in July of 1984 horrified many Israelis (including some rabbis) and alarmed the Arabs, both of the West Bank and of Israel itself. Rabbi Kahane is the author of a work called *They Must Go*, and he has vowed to go on making trouble until they do. Although Rabbi Kahane was the only member of his group, Kach, to be elected, support for his approach is almost certainly wider than the 20,000 or so citizens whose votes are needed to elect or return a member of the Knesset. At least some among the ultra-nationalist right, on the religious right, and on the right wing of Likud itself approve of his aims, if not of his style and all his methods. And voting results in July of 1984 seemed to show that there is more support for such ideas among serving Israeli soldiers than among the population at large.

President Chaim Herzog's personal ostracism of Kahane, and his appeals for toleration and against racism, have the support of most of the press and of that part of the political spectrum which runs from the left through the center to what have been called the "moderate hawks,"

well represented on this matter by the leader of Likud, Yitzhak Shamir. That is a majority of Israeli society. But the minority that remains—to the right of the right-of-center—is both significant in numbers and formidable in its determination and dynamism. If that minority cannot be adequately controlled by the state, there is a serious danger that it may progress in the direction it desires. The interaction of Jewish and Arab extremists could endanger the continuing presence on the West Bank of its Arab population.

By a kind of paradox, the main effect of the unremitting international efforts to bring about the withdrawal of Israel from the West Bank is probably to speed up that sinister interaction and to increase the danger to the territory's Arab population. Israel's extremists are long conditioned to respond to such pressure by the creation of new facts, while Arab resistance to any such new facts is likely to be encouraged by the thought that, after all, on this matter the Arabs have world opinion on their side. In the event of a catastrophe, sympathetic world opinion—though it will be copious—is likely to be of no more use to the losers than it has been in any of the



long series of Palestinian disasters.

Those in the West who argue that the effort to rule over large numbers of Arabs may eventually destroy Israel itself might do well to note that Meir Kahane is making the same point, while drawing from it an inference radically different from what the Western critics have in mind.

UNEASE IN ZION SEEMS, FROM THE PERSPECTIVE OF 1985, destined to be the condition of Israelis for some considerable time to come. The idea that Israel can withdraw to its pre-June, 1967, territory and live there behind secure and recognized frontiers, in peace with all its neighbors, is an agreeable international pipe dream. The reality is that Israel will stay on the West Bank, where its presence will continue to be challenged, from within and from without. And Israel's contested presence, the various forms of challenge to it, and responses to the challenges are likely to deepen, at least for a time, the divisions already obvious in Israeli society. (The 1984 elections are ominous in that regard. Labour had hoped to capture disillusioned Likud voters, but failed. There were disillusioned Likud voters, but they went everywhere except to Labour and its allies. The aversion of Oriental—or Sephardic—voters to Labour now seems quasi-permanent.)

There are those who will agree with much of my analysis

regarding what is likely to happen but who would want me to add some kind of condemnation of Israel, for its perversity and folly in failing to take the necessary bold steps in pursuit of the peace process.

I can't do that, because I don't see how I can condemn people for failing to do things that I think they actually *can't* do.

The reasons for Israel's incapacity to abandon all the territory acquired in the 1967 war are bound up with the two great *raison d'être* of Zionism: the Jewish state and the Return.

Basic to the idea of the Jewish state was the need for Jews to ensure the security of Jews, Gentiles having proved, at so many times and in so many places, that they could not be trusted in that matter. So secure frontiers are a basic requirement of the Jewish state. The pre-June, 1967, frontier—coming to within a few miles of the coast and Tel Aviv—was felt by almost all Israelis to be highly insecure. In contrast, the line of the Jordan, with the escarpment to the west of it, was judged ideal for defensive purposes by the planners of the Israel Defence Force.

Outsiders advised that Israel did not need such strong defense against the weak Arab threat, and that in any case Israel would do better to trust to Arab good will, which it would acquire by the surrender of all the occupied territories. On such a matter Israelis generally preferred the advice of their own soldiers to that of outsiders. This preference followed inescapably from the whole ideology of the Jewish state, of Zionism, and of the history of Israel. And Israelis knew that Arab good will was not procurable for the Jewish state. In their more conciliatory utterances—especially to Western audiences—Arab spokesmen rejected the idea of driving the Jews into the sea and allowed them (ostensibly at least) some kind of role in the future “secular and democratic Palestine” of the Palestinian National Covenant. But the Jewish state, that “racist” entity, was anathema, whatever its boundaries. So those responsible for the security of the Jewish state were governed by military considerations alone, and not by the vain pursuit of unattainable good will.

As for the Return, the idea of a Jewish state elsewhere than in Palestine was considered many times in the earlier history of Zionism. It was attractive to some Westernized, secular Jews. But it was decisively rejected, in 1903–1905, by Zionists of the Russian Empire who, though mostly of secular consciousness, were deeply influenced by the Jewish religious tradition. For them—and for Zionists generally henceforward—the only goal was Palestine. The Bible was the mandate, as the “secular” Ben-Gurion told the Peel Commission in 1937, and Jerusalem was the magnet. If that was so in a complex and deep-down way for the secularized and partly Westernized Russians, it was so in a quite simple and down-to-earth way for most of the non-secularized and non-Western immigrants from the Moslem lands. For them, this land was their inheritance, by right of Revelation, and Jerusalem was its predestined capital.

The Jews had recovered Jerusalem, after nearly two

thousand years, through a train of efforts and events so strange and unprecedented as to appear to some almost miraculous and to others literally miraculous. To expect the Jews, having thus again come into possession of Jerusalem, to hand over the Old City, with the Western Wall, to an Arab power, or to an international authority, is to expect what cannot be. To ask Israel to give up all or most of Judea and Samaria is to ask for the unlikely; to ask Israel to hand over the heart of Jerusalem is to ask for the impossible.

So the felt needs of the Jewish state and the animating concept of the Return pose what seem to be impenetrable barriers to Israel's voluntarily accepting the kind of settlement that international opinion almost universally calls for on the West Bank.

THAT THOSE THINGS ARE SO, AS A MATTER OF FACT, would be hard to deny, though no doubt the thing can be done. But some, who accept that these things are so—or more or less so—still passionately urge that *they ought not to be so*. The Jewish state and the Return may dominate the situation on the West Bank—and in Gaza and in Israel itself—for today and, perhaps, tomorrow. But they have no right (it is argued) to dominate it. Both are illegitimate concepts. The Jewish state is a racist concept. The Return is a mystical concept—that is to say, superstitious and false. These concepts, being illegitimate, have no right to prevail over a legitimate, rational, and humane *principle*: that of the consent of the governed.

I should like here to take a brief look at the three principles that argument opposes and embraces.

“The Jewish state is a racist concept.” Yes, in a way. It is racist to the extent that all nationalism is racist, which is a large extent. Simone Weil held that racism and nationalism were essentially the same thing, racism being simply “a more romantic version of nationalism.” The Jewish state is the embodiment and creation of Jewish nationalism. And modern Jewish nationalism was very largely a response to European nationalisms, which increasingly rejected Jews—increasingly on racist principles—as part of the nations concerned. The founders of Zionism were almost all rejected assimilationists. Their logic was clear-cut: Since the existing states say we don't belong to them, very well, we must have a state of our own.

All nationalism is exclusive, quietly so or noisily. Most nation-states preserve their national character by stringent immigration controls, according to criteria the most important of which (being of a nationalist, racist character) generally remain implicit. The Jewish state is like most other states in its determination to preserve its national character, as determined by itself, through exclusive processes. Where the Jewish state is unusual, and in part unique, is through the following elements:

(a) The Jewish state did not come into being, as the European states did, through a long and gradual process, on the same territory, involving slow exclusions, inclusions,

and accretions. The Jewish state was created through an unprecedented convergence of scattered people on a *former* national territory, and it crystallized at an amazing speed: from a political dream to a state in less than seventy years.

(b) Since the creation of the Jewish state the criterion of nationality has become a specifically religious one. Now, insofar as racial characteristics are important to racism—and I think they are important—this criterion actually operates *against* racism. Before 1948 there were those in Israel's predominantly Ashkenazi population who would have liked to keep out the Oriental Jews, primarily on racial grounds. But the criterion of admission was in fact a religious one, and so the Oriental Jews qualified.

(c) All nationalisms exclude, but the people whom it was most important for the Jewish state to exclude, for the sake of its own survival, were its fated enemies, the bulk of the previous settled population in the land of Israel. The present state of Israel, for example, could not admit to citizenship the Arabs of the West Bank without preparing the destruction of the Jewish state, at least—which Israel, being (in all essentials) the Jewish state, is not likely to do.

I don't think you can reasonably say that the idea of the Jewish state is *inherently* racist, and therefore illegitimate, unless you also condemn all other nationalisms, including Arab nationalism, for their exclusivities: quite a reasonable proposition, but one that would stigmatize all states and most of the population of the globe.

The relation of the Jewish state to Palestine and to its Arab population I shall consider in relation to the two interrelated principles, that of the right of Return and the principle of consent of the governed.

THE IDEA THAT THE RIGHT OF THE JEWS TO RETURN to Palestine transcends the will of the majority of the settled population of the area is certainly basically a religious one (or a religious-national one), whatever secular forms it may from time to time assume.

Does the fact that the right of Return is basically a religious idea make it *ipso facto* illegitimate?

Probably only the tougher-minded within the secularist tradition would answer that question with an unhesitating yes. But *some* kind of yes is implicit in the whole tradition of Western Europe and North America since the eighteenth-century Enlightenment. The post-Enlightenment tradition assumes the separation of religion from the political process. The notion that a *religious* attachment justifies a *political* claim is inherently repugnant to what has been the dominant intellectual tradition in the West for nearly a quarter of a millennium. The question is, however, whether the dominant intellectual tradition in the West also applies to the Middle East.

On the surface, it might seem so. The rhetoric of the Arab-Israeli debate has been almost entirely the rhetoric of the Western Enlightenment tradition. It is a rhetoric that

has extremely high international prestige as rhetoric, largely owing to the phenomenal success of the three great Western revolutions inspired by it—English, American, and French—and to the mimicry of much of it by the Soviet Union (as in Stalin's 1936 constitution). The United Nations Charter is full of Enlightenment ideas, and United Nations debates are generally conducted in terms of an assumed consensus of commitment to these ideas.

The Arab case against Israel is most definitely expressed in terms of that tradition. For example, the Palestinian state envisioned in the Palestinian National Covenant of 1968 would be, in theory, "a secular and democratic state." Because the governing code of debate is based on the Western Enlightenment value system, this puts the Arab states (which support the principle of consent of the governed) permanently in the right, and Israel (with its archaic right of Return and its Jewish state) permanently in the wrong.

But rhetoric and reality are far apart here. Political practice based on Enlightenment values—the rule of law, freedom of expression, and political democracy—exceeds the boundaries of the West only in a few exceptional cases, and none of them are in the Middle East, with the ironic exception of Israel itself, in its internal political arrangements among Jews. If there were today a Palestinian state, and if it were indeed a democratic state, it would be unique in the Arab world (and unusual in the world outside the West). In practice the rulers of the region assume and enforce the consent of those they govern, as the rulers of the region have done from time immemorial, without curiosity as to the wishes of the governed. The rule of law and freedom of expression are unknown, as they have been in the past. Secularity is a matter for small elites—some of them, as religious minorities, justifying their own dominance, as the Alawis of Syria do, in terms of secular and progressive ideas. In any case, throughout the Islamic world the rise of Moslem fundamentalism since 1980 has increasingly challenged the secular elites.

Islam, even more than any other of the great religions, denies the existence of the dichotomy, posited by the Western Enlightenment, between religious and political life. Those representing (or at any rate speaking on behalf of) Moslem populations who appeal to Enlightenment ideas are engaging in double-talk, masking the realities of what is fundamentally, on both sides, a religious-nationalist cultural conflict. It is a conflict, moreover, that is unlikely to be resolved by appeal to an umpire from the world of the Enlightenment.

The presiding symbol is that of Jerusalem. The Jewish claim to Jerusalem is not a matter of rational argument; nor is the Moslem claim; nor will the two claims be reconciled, or either side appeased, by arbitration; nor will either accept the counting of heads as decisive, unless it works in that side's own favor.

The Jews today rule in Jerusalem for the same *material* reason as the British ruled before them, and the Ottoman Turks before them, and all the others before them, back to

Caliph Omar and beyond—because they conquered the place. But the *attachment* of the Jews to the city is older and deeper than that of any of its previous conquerors.

It is argued that conquest as a claim to rule, though very widely acceptable up to 1914–1918, is no longer acceptable since the Fourteen Points, the Atlantic Charter, and the Charter of the United Nations. But the Jewish and the Moslem claims to Jerusalem are anterior to those documents by many centuries and will not be resolved by reference to the modern documents, vastly inferior as these are in authority and in emotional power and in other respects to the Bible and the Koran.

The right of Return is based on the Bible and contested (by implication) in the Koran. When the Koran is defeated—for the time being, at least—the appeal goes out to the post-Christian world, in terms of the post-Christian ideology of the Enlightenment, under the slogan of “consent of the governed.” But any realities pertaining to that slogan belong to the world appealed to, not the world that appeals.

I know well that the line of thought traced above will be ill received by many Westerners—both friendly and unfriendly to Israel—and also by many people in Israel itself. The Jews of the Diaspora played a large part in the development and diffusion of Enlightenment ideas, gloried in them, and benefited from them, for a time. Israelis of European origin inherit a value system largely drawn from the European Enlightenment. Indeed, this inheritance is one of the sources of the great internal malaise of Israel. Most of the Oriental Jews have no such inheritance. They tend to find it more or less incomprehensible, and irrelevant or even noxious to Israel’s needs in its actual besieged condition.

I’m afraid—and there are grounds for fear—that the Orientals have a point. The Western Enlightenment and the idea of the Return don’t fit together; they only rub together uneasily. The idea of the Return comes out of that older world which the *philosophes* rejected, and the Return took shape under unimaginably harsher necessities than any that had ever impinged on the *philosophes*.

I BELIEVE THAT ISRAEL CANNOT BE OTHER THAN WHAT it is—in the basic sense that Israel is not free to be other than the Jewish state in Palestine, and that the Jewish state, once in possession of Jerusalem, is not capable of relinquishing that city.

The Moslem world is also not free to be other than what it is, and is certainly incapable of acquiescing, openly, fully, and voluntarily, in a Jewish state in Palestine with Arab subjects and its capital in Jerusalem.

It seems to follow that the siege of Israel will continue, in some form, into an indefinite future. That is not necessarily or immediately as tragic a statement as it may sound. In certain conditions the siege could become—for a period, at least—a largely latent and almost metaphorical affair. Israel could find itself at peace, in one way or another,

with all its neighbors. The peace with Egypt held during the 1982 war in Lebanon. There has been a *de facto* peace, with no fedayeen, between Jordan and Israel since 1973; this held even in 1982. Israel’s greatest problem among its Arab neighbors is Syria, with its Soviet backing and its presence and proliferating influence in Lebanon.

Yet a tacit accommodation, even with Syria, is possible, as was proved in 1976, over Lebanon. The later breakdown of that arrangement was partly owing to the overweening and baroque ambition of Ariel Sharon. But it was also owing, perhaps in larger part, to a stipulation introduced by Israel into the tacit agreement of 1976 between itself and Syria. This was the stipulation that Syrian authority should not extend to Lebanon’s far south and the border with Israel. This stipulation led to the development of “Fatahland,” in southern Lebanon, beyond Syria’s control—and so to the conditions that provided the occasion, if not all the reasons, for Israel’s intervention in 1982.

It appears that there was a school of thought in Israel in 1976 that opposed the stipulation as to the extent of Syria’s authority in Lebanon. That school seems to have been vindicated by events. It seems, therefore, within the bounds of possibility that a new and less restrictive tacit arrangement could be reached with Syria over Lebanon, with a certain “territory for peace” content. One version of such an arrangement could include the following:

(a) Israel would withdraw its troops from all of Lebanon, without insisting—as once it did—on Syria’s also withdrawing. Israel has now in fact withdrawn from Lebanon *almost* completely, the exception being Israel’s continued support for the Christian-officered South Lebanon Army on Lebanon’s border with Israel. The abandonment of that support is almost certainly a necessary pre-condition for any overall arrangement between Israel and Syria.

(b) Israel would agree secretly to Syria’s hegemony over all Lebanon, to be assured by means of Syria’s own Machiavellian devising.

(c) Syria would undertake to see that there would be no PLO activity in Lebanon other than by forces of that name under complete Syrian control, and that those forces would not take part in any fedayeen activity.

(d) Syria would guarantee the safety of the Maronite Christians in their own areas as well as the safety of those elements on Israel’s border who have cooperated with Israel.

And finally:

(e) If these arrangements held and peace prevailed over a stipulated period, Syria would get back the Golan Heights, demilitarized.

If some such arrangement could eventually be worked out with Syria—building on the 1976 precedent—Israel would then at last have peace with all its neighboring states: peace by treaty with Egypt, peace by tacit understanding with Jordan (as discussed below) and Syria and, through Syria, with Lebanon.

That seems the nearest thing to a comprehensive Middle Eastern settlement that is actually available in the real world.

EVEN SO, THE PROBLEM OF THE WEST BANK AND OF Israel's incapacity to get out of it will remain. There, the best that can realistically be hoped for—and even this cannot be taken for granted—is a return to the noninterventionist attitudes of the Dayan years. That step is made more difficult by the existence of the Begin settlements, which are not going to be uprooted. But at least there could be a return to the policy of no new settlements near centers of Arab population, and even an enhancement of the famous adversarial partnership with Jordan. There could be—as there was under Dayan, and was not under Begin—a regime based on the principles of minimal interference and the avoidance of provocation. Teddy Kollek as mayor of Jerusalem has shown that even under siege conditions a potentially hostile population can be treated with consideration and respect, and that this policy can be rewarding for all concerned. Unfortunately, there are not many like Teddy Kollek around, inside or outside Israel. But the example is there, and Shimon Peres is known to admire the Kollek achievement.

"There is no Jordanian option," a Jordanian minister has said, "but there is a Jordanian *role*." That sounds like a hint. It seems possible that some kind of *tacit* agreement could be reached (or, rather, enhanced) with Jordan over certain areas of the West Bank, resembling in some respects the Allon Plan—and indeed the Reagan Plan—but reached without fanfare or the signature of any treaty.

Both the situation and the mood of Israel in the wake of the Lebanon war and the retreat from Lebanon seem fairly propitious for such a tacit agreement. With a grave economic crisis and inflation of around 400 percent, Shimon Peres can and does inform his Likud colleagues that there is simply no money for more settlements on the West Bank. Both Likud and the country seem to accept that. This situation could lead to an abandonment—again a tacit one—of the attempt to make Judea and Samaria Jewish, and a return to the old Dayan policy of minimal interference with the Arab population. Such a policy shift could open the way to closer, if unavowed, cooperation between Israel and Jordan, with both parties encouraging the West Bank's residents to put up with their anomalous but not necessarily intolerable status as Jordanian subjects in civil matters living in a territory under Israel's military control. And—despite the verbal deference accorded by Hussein and the West Bank mayors to the PLO—deep down Israel, the West Bank population, and Jordan share an interest in continuing to prohibit the fedayeen from implanting

themselves in the West Bank. (The effort to implant them after 1967 did not receive the general support of the West Bank population, or of Jordan.)

Arrangements of this type seem about the best available, within the bounds of realistic assessment. But all such arrangements would remain precarious and vulnerable. That is obvious in the case of the tacit understandings: the actual (and improvable) one with Jordan, and the possible one with Syria. But even the formal peace treaty between Israel and Egypt could be denounced—in the event of, for example, a seizure of power in Cairo by a

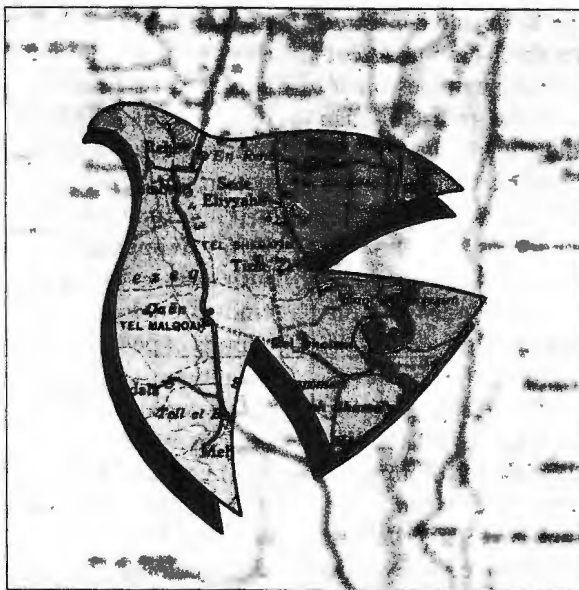
group of extreme nationalist or Moslem fundamentalist officers. In that case Israel would have surrendered territory, in Sinai, without securing lasting peace.

FOR ORDINARY ISRAELIS, the siege remains a fact of daily life. On March 21, 1985, in Jerusalem, I watched a group of schoolchildren coming down the steps of Yemin Moshe Street to take a look at one of Jerusalem's jollier landmarks, the Montefiore Windmill. Just behind the children were two men in civilian clothes carrying submachine

guns. Since Israeli schools and children have become targets of fedayeen attack, Israeli parents have begun, as a matter of routine, taking turns at maintaining guard over the schools and the children.

Outsiders often refer to Israel's "siege mentality." The phrase is quite accurate except when it is used to imply that the siege exists in the mind alone. The siege is a reality now in the Middle East, as it was in the past in Europe. The fusion of the two sieges into one—a fusion that was at the core of Menachem Begin's vision of the world—is indeed a historically formed phenomenon of the mind. But it is so powerful and so haunting a phenomenon of the mind that it is now also a large part of the political reality of the Middle East.

It has become commonplace to call Israel a militaristic state, a new Prussia or a new Sparta. But Israel is not at all like that. Spartan and Prussian militarism, and others—Napoleon's, for example—were based on a sustained willingness to accept high casualties. Israel's policies are shaped, to an extent unparalleled in the history of any other major military power, by a desire to avoid loss of life among its soldiers. Anyone who has been in Israel during a period of war culminating in victory—as I was, in June of 1982—knows that there is at such times nothing remotely resembling a “Mafeking” spirit, only a universal apprehension and sorrow about Israeli casualties.



It is the very intensity of this concern about the need to save Jewish lives, a concern that has the Holocaust at the back of it, that produces the pattern of military behavior so shocking to outside observers. Israel refuses to accept a conflict of attrition—"one for one"—which it must inevitably lose, because of its inferiority in numbers. Israel has therefore consistently applied the doctrine of "asymmetrical response"—hitting back with far greater force at the quarter from which it was attacked.

Israel withdrew from most of Lebanon last spring because of the unacceptably high casualties—more than 650 Israelis had been killed since June of 1982—that remaining in Lebanon involved. And when Shiite militia inflicted further casualties on the retreating Israeli forces, those forces hit back with their accustomed increment of violence. It was the level of Israeli casualties that determined both the retreat and the reprisals.

For some outside observers, the reprisals tended to obscure the fact of the retreat and the mood that dictated that retreat. That mood, in my belief, remains the one described by Eric Silver in the immediate aftermath of Begin's retirement:

The Israel Menachem Begin created in his own image was more narrowly Jewish, more aggressive and more isolated. Social and religious tensions were closer to the surface. But as the Kahan Commission demonstrated, government was still accountable to the people, democracy and the rule of law were alive and kicking. The press was not silenced by appeals to patriotism. In the autumn of 1983, the disengagement from the problems of Lebanon showed Israelis soberly aware of their limitations as well as their strengths. That was not the legacy the sixth Prime Minister had meant to leave his people, but it was one worth cherishing.

Shimon Peres's style as prime minister reflects that mood. He seems today modest and judicious, and free—as is Shamir—from the contagious and intoxicating shrillness of Begin. The Government of National Unity has done a little better than most people thought it might, and Peres's own stature has risen accordingly. There are chances of greater accommodations and relaxing of tensions. But neither the Government of National Unity nor any probable successor is likely to be able to lift the siege altogether.

Israel is obliged, by the very nature of its predicament, to remain forever on its guard and to be the ultimate judge of its own security. And those who condemn Israel should reflect that its predicament is not the creation of Israelis only but is also the creation of all the rest of us: those who attacked and destroyed the Jews in Europe, and those in Europe and America who just quietly closed our doors.

Against that background Western statesmen might have the grace to be more sparing in their admonitions ad-

ressed to Israel, keeping in mind that many of the peoples those statesmen represent did much, over many years, and in many ways, to impress upon Jews the necessity of creating the Jewish state.

THE PALESTINIAN ARABS HAVE EVERY RIGHT TO SAY that they are the indirect and innocent victims of what happened to the Jews in Europe. They are. They are also the victims of the vanity and fantasies of their own leaders; victims also of the Machiavellian Arab rulers—who use them as stalking-horses in the pursuit of their own ends—and of illusions promoted by the hollow and far-from-disinterested sympathy of European leaders. The best hope of the West Bank residents is in ceasing to rely on Palestinian émigrés or professions of sympathy whose cruel unreliability has been demonstrated on countless occasions. They have to face Israel, on their own, with nothing serious going for them except their lifeline to Jordan. Their best hope for the future lies not in the illusory and ever-receding perspective of "territory for peace" but in the strengthening of the "adversarial partnership" or tacit condominium between Israel and Jordan. In practice West Bank residents have shown a willingness to support that condominium, over the years, to the extent that it was available. Events in Lebanon from 1982 to 1985 have surely been of a nature to suggest to West Bank residents that the people who are most clamorous about the absolute need to secure "full Palestinian rights" are no friends of the Palestinians'. It was not only Christian Arabs, allied with Israel, who massacred Palestinian Arabs, at Sabra and Shatila (in 1982); it was also Moslem Arabs, allied with Syria, who carried out such massacres (in 1985). There was a world outcry about the first massacres; remarkably little was heard about the second. But Palestinians were equally victims in both cases.

Israeli leaders, as Eric Silver suggests, have been at least to some extent sobered and chastened by some of the results for Israel of Sharon's hubris over Lebanon. It may be that a similar process is going on among Palestinian leaders, where it matters most: on the West Bank itself. If so, the illusory and highly publicized pursuit of "territory for peace" is likely to be paralleled by quieter talks about how to make the sharing of the territory somewhat less uncomfortable and less dangerous for Israelis and Palestinians alike—as well as for the Jordanians. If so—and on the other *relatively* optimistic hypotheses discussed above—we will witness a considerable abatement of the siege of Israel as the century draws to a close. But the possible abatement depends on Arab recognition of superior Israeli military strength and adjustment to that fact, which is not likely to be accepted as a permanent fact. And so "abatement" implies suspension, not necessarily an approaching termination. What is not in sight is an end to the siege. □

THE MIDDLE EAST PEACE PROCESS AND THE UNITED STATES

Address by Assistant Secretary of State Richard W. Murphy
Before National Executive Council of the
American Jewish Committee, Miami, Florida

November 9, 1985

Mr. Friedman, members of the National Executive Council
of the American Jewish Committee, ladies and gentlemen,

I welcome the opportunity to discuss with you tonight the search for peace in the Middle East, to review events of the past year which offer new prospects for movement in this process, and to discuss obstacles that remain. I will also address the question so often asked: Why is the United States so actively involved in seeking a solution to the Arab-Israeli dispute and the Palestinian issue since there is neither a crisis in the region nor any agreement on even the outlines of a possible settlement?

The Middle East peace process has ebbed and flowed. It gained great momentum in the late 1970's and produced the first great step toward Arab-Israeli accommodation -- the Egypt-Israel peace treaty and the Camp David Accords.

But the bright promise of a broader peace and a solution of the Palestinian issue which we hoped would flow from Camp David was denied. It gave way instead to retrenchment, stagnation, and the tragic war in Lebanon. But this year

there is new momentum toward peace. Israel and Jordan have again begun to search for ways to break the stalemate.

In Israel, the Unity Government has withdrawn Israeli troops from Lebanon and launched a program of economic reform, its first two priorities. Now Israel's leaders are wrestling again with the controversial questions of peace with the Arabs and the future of the 1.4 million Palestinians who live under Israeli occupation. Prime Minister Peres has made clear his desire to lead Israel into direct negotiations with Jordan based on U.N. Security Council Resolutions 242 and 338 in search of lasting peace and a just solution to the Palestinian problem.

Jordan's King Hussein, recognizing the futility of confrontation and concerned about the stability of the region and the unfulfilled aspirations of the Palestinians, has boldly called for peace with Israel and a solution to the Palestinian issue. In statements which break new ground in the Arab world, Hussein has called for negotiations with Israel "promptly and directly"... "in an environment free of belligerent and hostile acts". The King's initiative is all the more remarkable, since he is ready to engage in a negotiating process with no guaranteed outcome, whereas for years, Arab states have refused to consider negotiations with Israel, without assurances of the final result.

Prime Minister Peres has responded to the King's initiative by acknowledging Hussein's sincerity and his genuine desire for peace. And the King has replied by calling Peres a man of vision. Such expressions of mutual respect by an Israeli Prime Minister and an Arab leader both constitute a remarkable public dialogue and symbolize a new atmosphere of hope and compromise. Jordan has taken a further step in signalling its commitment to peace with Israel by restoring diplomatic relations with Egypt. By breaking with the rejectionists who have sought to isolate Egypt for making peace with Israel, Jordan associates itself with Egypt's courageous decision to lead the way toward a broader peace in the region.

President Mubarak shares Hussein's and Peres' concerns for future stability in the region. He too has supported renewed momentum in the peace process and has played a constructive role in support of practical steps toward direct negotiations. Although there have been strains in the Egypt-Israel relationship, both states are committed to their peace treaty. In the Egyptian approach to the peace process there is a healthy element of self-interest, since Egypt seeks a broadening of the peace process to vindicate its historic choice for peace with Israel.

The willingness of Jordan, Israel and Egypt to renew the search for a broader peace has been mirrored by a similar movement within the Palestinian community in support of peace and accommodation with Israel.

These are important changes in the political landscape of the Middle East. The desire of King Hussein to engage in negotiations with Israel, his focus on the process, rather than the outcome, the positive response from Israel, and the support of Egypt and moderate Palestinian elements offer new hope that a solution can be found. That is why we have called this the year of opportunity.

Although the climate for peace has improved markedly, some major obstacles still stand in the way of direct negotiations. The toughest of all is the question of who shall represent the Palestinians in negotiations. Both Israel and Jordan agree that Palestinians must participate in the process that will address their legitimate rights as a people as well as the security of Israel and Jordan. Both states also acknowledge that the Palestinians who take part must be respected, credible representatives of their community, since they will be called on to make compromises that must be part of any realistic settlement

Thus far, there is no agreement on who those Palestinians should be. The PLO demands the exclusive right to represent the Palestinians, and King Hussein has associated Jordan with the PLO in his February 11 peace initiative. Many Palestinians who support the PLO are prepared to accept the terms which Israel, Jordan and the United States believe should be the basis for negotiations: acceptance of the

existence of Israel and UN Security Council Resolutions 242 and 338. But the PLO, as an organization, has yet to transcend its deep internal divisions and to meet these conditions, clearly and unequivocally. Nor has it been willing to forswear all violence as a means of achieving its ends. Recently constituent elements of the PLO have been involved in new acts of terror and assassination, including the murder of three Israelis in Cyprus, the hijacking of the Achille Lauro and the killing of Leon Klinghoffer.

Recently, PLO chairman Arafat made a qualified statement concerning an end to violence. The meaning and effect of this limited undertaking will have to be judged by the situation on the ground. But it must be understood that all violence everywhere in connection with the Middle East conflict obstructs the goal of direct negotiations for peace and must be eradicated.

King Hussein has joined Prime Minister Peres in deploring these and other acts of terror and violence as harmful to the peace process. He has also worked hard and successfully to prevent the use of Jordanian soil for terrorist attacks against Israel and the West Bank. Israel believes that the PLO is disqualified for a role in the peace process because of its failure to renounce all violence and to recognize Israel. Hussein, however, continues to believe that the PLO must be involved, as the only organization with broad-based

support throughout the Palestinian community. He believes that the PLO has the capacity to transform itself, if given the opportunity.

The view of the United States toward the Palestinian representation issue is that Palestinians of goodwill who seek peace and accommodation with Israel and who command respect in their community should come forward to play this role. We also believe that those who continue to practice violence and terror count themselves out of the process. But the ultimate decision on which Palestinians are acceptable must be agreed by the Palestinians, Jordanians and Israelis, among themselves.

The Administration's policy toward U.S. recognition of the PLO is another issue. We have said clearly and consistently that the PLO must first accept Resolutions 242 and 338 and recognize Israel's right to exist before we will engage it in a dialogue. But the relationship between the U.S. and the PLO is not a central issue in the peace process. The Palestinians must negotiate with Israel, together with Jordan, not with the United States. They must therefore produce representatives who have demonstrated their willingness to seek peace with Israel. The PLO, as an organization, has not yet met this challenge, which was put to it a year ago by King Hussein.

Another question that must be resolved in the search for peace is how to structure some kind of international support for direct negotiations. King Hussein, whose peace initiative faces harsh opposition from Syria and other rejectionists, has called for an international conference to provide an umbrella he needs for entering into negotiations with Israel. We understand the King's need, and have agreed to explore with Israel and Jordan some means of international auspices for this process. Prime Minister Peres has also responded positively to the King's desire by offering to consider some international mechanism acceptable to all the parties to support direct talks. The sticking point has been the role of the Soviet Union. Our view and Israel's is that the USSR, by its failure to restore diplomatic relations with Israel and its negative policies, has failed to demonstrate that it would play a constructive role in the peace process. Another question is the role of Syria, which has shown no interest, to date in joining the peace process.

Where are we now in our efforts to surmount these hurdles and move on to direct negotiations, which the United States, Israel and Jordan all desire? What has been the impact of recent acts of terrorism on our efforts? It is true that the Achille Lauro hijacking diverted our attention, temporarily from the peace process. Indeed, it is the aim of the terrorists whose goal is to intimidate all those who seek compromise. Thus, both Israel and Jordan have been

victimized by increasing terrorist acts in recent months. We are determined however, not to allow terrorism to halt our efforts for peace, and Israel and Jordan share our determination.

In their recent visits to Washington, King Hussein and Prime Minister Peres urged that we do everything possible to sustain the positive momentum of recent months. And both leaders expressed their urgent desire for this in their eloquent statements at the United Nations. We are maintaining our close dialogue with Israel and Jordan and continuing to search for ways to resolve the issues of Palestinian representation and international auspices.

Some critics of U. S. policy have argued that we have underestimated the difficulty of these obstacles. They claim that in our search for a process of negotiations, we have underestimated profound substantive differences which still divide the parties and the absence of any consensus within Israel, as well as among the Palestinians and among the Arabs, on an acceptable solution. According to this view, the parties have shown they can at least cope with the status quo, although it is unsatisfactory, and that it is a mistake to try to change it for some uncertain alternative. In short, they argue, in the absence of a serious crisis, leave well enough alone.

But the status quo is not stable. The Middle East is a dynamic region in which the forces of pragmatism and compromise contend with extremism, confrontation and religious fundamentalism. The Arab-Israeli conflict provides a volatile focus for these conflicting forces within Israel, among the Palestinians and in the Arab world. These tensions are serious. The history of other conflicts proves that they will not evaporate under benign neglect. And unless the elements who support moderation and compromise are actively supported and encouraged, the future is likely to bring greater strife and danger for all.

The costs of inaction are high for Israel, whose future security and well being can be assured in the long run only if peace is achieved and the Palestinian dilemma is resolved. The human and material cost which years of conflict have imposed on Israel has been immense. It is a great tragedy of the modern era that a nation which was born as a symbol of the highest values of peace and redemption, not only for the Jewish people, but for mankind, has been deprived of the right to realize this dream. The threat of yet another war, the uncertainty and tension of the current uneasy conflict, and the strain imposed by control of a large, resentful Palestinian populace in West Bank and Gaza are a great burden to Israel's social and democratic fabric. That is why Prime Minister Peres and many other Israelis have

expressed the urgent need for a just solution to the Palestinian dilemma and peace with all its Arab neighbors to insure Israel's security.

The need for peace and accommodation is no less urgent for the Palestinians. Their desire for justice and a greater role in fulfilling their own aspirations also demands a response. This community, particularly its younger generation, is also challenged by the forces of extremism and fundamentalism, which feed on frustration and despair.

For Jordan, like Israel, peace and a resolution of the Palestinian issue is also essential for future well being. That is why King Hussein, whose nation already includes a majority of Palestinians, wants urgently to define a new relationship with the Palestinians now living under Israeli control.

The stakes are high for Israel, the Palestinians and Jordan to come to terms with each other and to reconcile their respective interests and aspirations. If Israel is denied its right to permanent peace, security and recognition, if the Palestinians are denied their legitimate rights, and if Jordan's quest for peace is thwarted, all will be victims.

We reject the theory that the interests of Israelis, Palestinians and Jordanians in this conflict are irreconcilable and that this is a zero sum game. We are certain that with flexibility and a willingness to compromise, the urge for peace, which is strong in Israel, among the Palestinians and in Jordan, can be translated into negotiations and ultimately agreement which provides justice and security for all.

Why do we say the United States also has an important stake in such a solution? Our deep interest in the security of Israel, an ally whose strength and welfare are vital to us, our friendship with Jordan and Egypt, whose continued moderation and stability and well-being are of key importance and our traditional commitment to human values, which are threatened by adverse forces in the region, require us to commit ourselves as a nation.

Diplomacy abhors a vacuum, and if we should opt out of the peace process, those who believe in the role of force and in absolute solutions will take our place. We have a duty to ourselves and our friends to continue our diplomatic efforts, notwithstanding the obstacles, in support of our friends who yearn for peace and believe in compromise and moderation. We must continue to encourage flexibility and accommodation by

all the parties to a conflict in which there are no black and white answers and in which all the protagonists have compelling equities.

Whenever I visit Israel, I am encouraged by the vigor of debate over the peace process, Israel's future and the Palestinian issue. Your organization has furthered this process in a constructive way by supporting the principle that this dialogue should also flourish among Israel's friends abroad, whose commitment and support for Israel are a source of great strength. The Jewish people, in Israel and throughout the world, because of their own experience have a unique perspective on the suffering of others. I have always believed that their faith and tradition, to which the world owes so much, will help build peace between Israel and its Arab neighbors. Peace is also a holy creed of Islam and the Arab people. Their culture also offers the spiritual and moral strength needed for peace and reconciliation. These two peoples of the book, both descendents of the sons of Abraham, are destined, in the words of Prime Minister Peres, "to live side by side, from time immemorial, till the end of time." They deserve our continuing, active support in their search for peace.

Peace initiative

The Strategic Value Of Arming Hussein

By Richard L. Armitage

WASHINGTON — In the wake of President Reagan's decision to go forward with a package of defensive arms for Jordan, searching questions are being raised in Congress about Jordan's readiness to make peace with Israel, about its trustworthiness with advanced technologies and about its need for new American arms in the years ahead. Lobbyists for Israel, Jordan and the American defense industries alike are pressing partisan arguments on behalf of their respective special interests.

President Reagan cannot, however, take a parochial view of what is in fact a strategic issue and one that involves significant American interests. The Middle East peace process is sometimes characterized as an inconsequential diplomatic game, to be followed or shunned at Washington's whim. Nothing could be further from the truth. Progress toward Arab-Israeli peace, or lack of it, is intimately related to the prospects for unrest, armed conflict and the spread of Soviet power in the region.

Israel's security headaches across its border with Lebanon have caused tremendous human and material costs in both Israel and Lebanon in recent years and have forced the international community to step in more than once. Israel's frontier with Jordan, in sharp contrast, has been quiet for 15 years, even though it is nearly three times as long as the Israel-Lebanon border. Jordan — itself a frequent terrorist target — has steadfastly kept its territory from being used as a staging ground for terrorist attacks against Israeli targets.

King Hussein has been working assiduously during the past year to steer the Palestinian movement toward a negotiated peace settlement. The absence of any redress for the political aspirations of the Palestinian people has been one factor underlying its 37 years of armed hostility toward Israel. In the absence of a solution, the 1.2 million inhabitants of the occupied territories — a notably quiescent population until now — are increasingly susceptible to the appeal of rejectionist Palestinian leaders and, as a result, increasingly prone to violence against Israelis.

The cycle of violence could easily spread to the Palestinians living in Jordan. When the Palestine Liberation Organization threatened just that in 1970, King Hussein and the Jordan armed forces drove the organization out. The King has put forward his

peace initiative precisely so that this time bomb will no longer threaten the existence of his nation. Jordan's diplomacy is a natural complement to its strategic and military outlook.

A rash of terrorist attacks, probably emanating from extremist groups in Syria, have been carried out against Jordanian officials and property in recent months. Jordan continues nevertheless to press its effort to initiate Jordanian-Palestinian peace negotiations with Israel. Despite Syria's adamant opposition, the Jordanians are cracking down hard on the terrorists they apprehend. Every step Jordan takes toward peace with Israel will virtually guarantee greater tension with Syria. Here is a cycle of violence for which

A stronger air defense against Syria helps Israel, too

Jordan has no diplomatic antidote — only the deterrence of its armed forces.

At present, the Jordanian Air Force probably could not hold off a Syrian attack for more than a few days, perhaps less. Jordanian ground forces would put up determined and capable resistance, but Syria's air power would operate with relative ease against Jordanian armored units and installations. Jordan could, however, probably deter such an attack entirely with a modest modernization of its air defenses, including interceptor aircraft and mobile air defense systems. Israel would then be spared the Hobson's choice of either intervening in a war between Arabs or standing by as its Soviet-armed enemies took control of its longest front.

Jordan's military needs new weapons to redress its acute vulnerability to attack from the air. King Hussein and his senior military commanders most of whom have been trained in the United States and are well-known to their American counterparts, will do whatever they must to rectify this glaring weakness. The United States should maintain its 35-year arms supply role in Jordan, or be prepared in the years ahead to endure a steady measurable decline in our ability to pursue basic American policy objectives in the Middle East.

Richard L. Armitage is Assistant Secretary of Defense for International Security Affairs.

PRIME MINISTER PERES ON THE INTERNATIONAL CONFERENCE

"We are interested in international accompaniment but international accompaniment in which both Israeli and the other side have equal conditions. We have no opposition to the United States, England and France, but the Soviet Union severed relations. And I have already said and I am repeating it: There are Arab statesmen who have reached the conclusion that if the Russians do not renew diplomatic relations with Israel, they should not be invited to the international conference. That is also the opinion of the United States. the Arabs." (Peres, 10/2/85, Israel television)

"What the Jordanians and the Palestinians are saying is that it's not comfortable for them to meet with us in daylight. I don't understand why they have to be bashful for peace when they are open for war. When the Arabs went to war, did they search for proxies or superpowers?" (Peres, 10/2/85, Israel television)

"I see our position earning more support and understanding from the U.S. The Soviets are aware of our position. Diplomatic relations exist when there are differences of opinion. We won't go with the Russians unless they resume diplomatic relations with in the light of day. I believe that position has a chance of succeeding." (Peres, 10/2/85, Israeli television)

"(Re Geneva Conference:) 1973 was an experiment. It was an empty exercise. Since then we've gained experience. Why can Israel not say to the Russians 'If you want to join as mediators, in the middle as people bridging gaps, first of all renew relations.' Why should I repeat the 1973 situation?" (Peres, 10/2/85, Israel television)

As long as the Soviet Union fails to renew its diplomatic relations with Israel, we will not grant it the status it is unworthy of: the status of a mediator. (Peres: Jerusalem Domestic Service, 10/1/85 FBIS)

"What would happen [at a conference such as the one proposed by King Hussein]? The Soviet Union would be raised to the status of mediator despite the fact that it has severed relations with Israel and locked its gates to Jews seeking to leave. In other words, the Soviet Union would not recognize Israel diplomatically but Israel would have to publicly recognize the Soviet Union's objectivity. The Soviet Union might declare that it supports the Arab positions and the position of Syria, which is the most extremist among Arab countries. It would justify Syria's goals and the Palestinian charter. What then would be the

chances that Jordan or a Palestinian delegation would adopt a position more moderate than that of the Soviet Union?" (Prime Minister Shimon Peres, Address to the Knesset, 6/10/85)

"You need a great deal of conviction to say to Israel, 'Look, we have prepared a beautiful trap, why don't you fall into it?'" (Peres, WP, 9/12/85)

July 4, 1985

Background only -

not for distribution

MIDDLE EAST ARMS TRANSFER STUDY

EXECUTIVE SUMMARY

— The study is a comprehensive review of U.S. arms sales policy to the Middle East in light of U.S. objectives in the region undertaken to assure that our arms sales assist in attaining those objectives.

-- U.S. regional strategic objectives are: continued stability and security of friendly states; the peaceful resolution of regional conflicts, especially the Arab-Israeli conflict; a favorable strategic position vis-a-vis the Soviet Union; and unimpeded access to Persian Gulf Oil.

— Successful pursuit of these objectives is endangered by current Iranian, and possible long-term Iraqi, security threats to the moderate Arab states of the Gulf, the immediate Syrian threat to Jordan and prospective threat to Israel, and the Libyan threat to the Sudan and Egypt. U.S. interests are also threatened by Soviet influence, the potential for large-scale Soviet aggression, and by terrorism. The ironclad U.S. commitment to a qualitative military edge for Israel will ensure Israeli military superiority over any combination of probable foes for the foreseeable future.

— While direct U.S. military intervention would be necessary to cope with Soviet aggression, involvement in lesser crises, unless invited, could be politically destabilizing to local governments and might not command U.S. public support. Arms sales foster military self-reliance which raises the threshold at which U.S. intervention might be necessary. If direct military involvement were required, the infrastructure, interoperable equipment and tactical doctrines introduced through sales would ease the deployment of U.S. forces.

-- U.S. security assistance to moderate Arab states strengthens their defense capabilities against external and internal threats and bolsters the stability of the individual governments.

-- In terms of deterrence, U.S. security assistance implies a commitment that may be as important as the arms themselves.

-- Arms sales and security assistance programs position the U.S. to continue its role as the principal intermediary between Israel and the Arab states. Maintaining that role depends importantly upon responding to the economic and security needs of the states principally concerned: Israel, Egypt and Jordan.

— At the same time, attempts to condition security assistance upon development of the peace process have failed to produce results — since no one party controls the process — and have weakened U.S. leverage while, occasionally, providing an opening for Soviet influence.

-- The study concludes that arms sales and security assistance can: enhance our strategic position while reducing the need for direct U.S. intervention; contribute to regional stability by improving the deterrent capability of friendly states; improve the chances that our friends will prevail if deterrence fails, and encourage others to take risks for peace as we preserve our role as intermediary.

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Message:

From: Ann

peace process

He graduated from Los Angeles City College and Memphis State University. He has two children and resides in Los Angeles, Calif. He was born December 21, 1926, in Franklin, N.C.

Second Anniversary of Solidarity

*Statement by the Principal Deputy Press Secretary to the President.
September 1, 1982*

The President deeply deplores the acts of violence which resulted in the tragic loss of life in Lubin. He deeply regrets and condemns the use of deadly force to break up peaceful demonstrations in Warsaw and other cities on Solidarity's second anniversary.

These events once again point up the need for reconciliation and restoration by the Government of basic human rights in Poland. The fact that demonstrations involving thousands occurred in eight major cities in the face of Government warnings that security forces would use violence to put them down and dole out summary punishments vividly illustrates and demonstrates the strength of the dedication of the Polish people to free trade unions and other basic liberties.

The deaths of the two individuals in Lubin can only serve to deepen the already extensive chasm separating Polish authorities from the Polish people.

The Polish Government's actions against the demonstrators are the latest manifestation of martial law in Poland and dramatize the significance of the policies which the President announced last December.

Exclusions From the Merit Pay System

Message to the Congress Transmitting a Report. September 1, 1982

To the Congress of the United States:

Supervisors and management officials in GS-13, 14, and 15 positions throughout the

Federal Government are covered by the Merit Pay System as required by Chapter 54, Title 5, U.S. Code, unless otherwise excluded by law.

Upon proper application from the heads of affected agencies and upon the recommendation of the Director of the Office of Personnel Management, I have, pursuant to 5 U.S.C. 5401(b)(2)(B), excluded 9 agencies and units of agencies from coverage under the Merit Pay System.

Attached is my report describing the agency or unit to be excluded and the reasons therefor.

Ronald Reagan

The White House,
September 1, 1982.

Note: The exclusions affect certain employees of the following: the Board of Veterans Appeals, Veterans Administration; the Advisory Committee on Federal Pay; the National Mediation Board; NATO, International Staff (Evere, Belgium); NATO Integrated Communications System Management Agency (Brussels, Belgium); NATO Maintenance and Supply Agency (Luxembourg City, Luxembourg); NATO Supply Center (Capellen, Luxembourg); Supreme Headquarters Allied Powers Europe, SHAPE, (Belgium); and the Federal Aviation Administration, Department of Transportation.

United States Policy for Peace in the Middle East

Address to the Nation. September 1, 1982

My fellow Americans:

Today has been a day that should make us proud. It marked the end of the successful evacuation of PLO from Beirut, Lebanon. This peaceful step could never have been taken without the good offices of the United States and especially the truly heroic work of a great American diplomat, Ambassador Philip Habib.

Thanks to his efforts, I'm happy to announce that the U.S. Marine contingent

helping to supervise the evacuation has accomplished its mission. Our young men should be out of Lebanon within 2 weeks. They, too, have served the cause of peace with distinction, and we can all be very proud of them.

But the situation in Lebanon is only part of the overall problem of conflict in the Middle East. So, over the past 2 weeks, while events in Beirut dominated the front page, America was engaged in a quiet, behind-the-scenes effort to lay the groundwork for a broader peace in the region. For once there were no premature leaks as U.S. diplomatic missions traveled to Mideast capitals, and I met here at home with a wide range of experts to map out an American peace initiative for the long-suffering peoples of the Middle East—Arab and Israeli alike.

It seemed to me that with the agreement in Lebanon we had an opportunity for a more far-reaching peace effort in the region, and I was determined to seize that moment. In the words of the scripture, the time had come to "follow after the things which make for peace." Tonight I want to report to you the steps we've taken and the prospects they can open up for a just and lasting peace in the Middle East:

America has long been committed to bringing peace to this troubled region. For more than a generation, successive United States administrations have endeavored to develop a fair and workable process that could lead to a true and lasting Arab-Israeli peace.

Our involvement in the search for Mideast peace is not a matter of preference; it's a moral imperative. The strategic importance of the region to the United States is well known, but our policy is motivated by more than strategic interests. We also have an irreversible commitment to the survival and territorial integrity of friendly states. Nor can we ignore the fact that the well-being of much of the world's economy is tied to stability in the strife-torn Middle East. Finally, our traditional humanitarian concerns dictated a continuing effort to peacefully resolve conflicts.

When our administration assumed office in January of 1981, I decided that the general framework for our Middle East policy should follow the broad guidelines laid

down by my predecessors. There were two basic issues we had to address. First, there was the strategic threat to the region posed by the Soviet Union and its surrogates, best demonstrated by the brutal war in Afghanistan, and, second, the peace process between Israel and its Arab neighbors.

With regard to the Soviet threat, we have strengthened our efforts to develop with our friends and allies a joint policy to deter the Soviets and their surrogates from further expansion in the region and, if necessary, to defend against it.

With respect to the Arab-Israeli conflict, we've embraced the Camp David framework as the only way to proceed. We have also recognized, however, solving the Arab-Israeli conflict in and of itself cannot assure peace throughout a region as vast and troubled as the Middle East.

Our first objective under the Camp David process was to ensure the successful fulfillment of the Egyptian-Israeli peace treaty. This was achieved with the peaceful return of the Sinai to Egypt in April 1982. To accomplish this, we worked hard with our Egyptian and Israeli friends and, eventually, with other friendly countries to create the multinational force which now operates in the Sinai. Throughout this period of difficult and time-consuming negotiations, we never lost sight of the next step of Camp David—autonomy talks to pave the way for permitting the Palestinian people to exercise their legitimate rights. However, owing to the tragic assassination of President Sadat and other crises in the area, it was not until January 1982 that we were able to make a major effort to renew these talks.

Secretary of State Haig and Ambassador Fairbanks made three visits to Israel and Egypt early this year to pursue the autonomy talks. Considerable progress was made in developing the basic outline of an American approach which was to be presented to Egypt and Israel after April.

The successful completion of Israel's withdrawal from Sinai and the courage shown on this occasion by Prime Minister Begin and President Mubarak in living up to their agreements convinced me the time had come for a new American policy to try to bridge the remaining differences between

Egypt and Israel on the autonomy process. So, in May, I called for specific measures and a timetable for consultations with the Governments of Egypt and Israel on the next steps in the peace process. However, before this effort could be launched, the conflict in Lebanon preempted our efforts.

The autonomy talks were basically put on hold while we sought to untangle the parties in Lebanon and still the guns of war. The Lebanon war, tragic as it was, has left us with a new opportunity for Middle East peace. We must seize it now and bring peace to this troubled area so vital to world stability while there is still time. It was with this strong conviction that over a month ago, before the present negotiations in Beirut had been completed, I directed Secretary of State Shultz to again review our policy and to consult a wide range of outstanding Americans on the best ways to strengthen chances for peace in the Middle East.

We have consulted with many of the officials who were historically involved in the process, with Members of the Congress, and with individuals from the private sector. And I have held extensive consultations with my own advisers on the principles that I will outline to you tonight.

The evacuation of the PLO from Beirut is now complete, and we can now help the Lebanese to rebuild their war-torn country. We owe it to ourselves and to posterity to move quickly to build upon this achievement. A stable and revived Lebanon is essential to all our hopes for peace in the region. The people of Lebanon deserve the best efforts of the international community to turn the nightmares of the past several years into a new dawn of hope. But the opportunities for peace in the Middle East do not begin and end in Lebanon. As we help Lebanon rebuild, we must also move to resolve the root causes of conflict between Arabs and Israelis.

The war in Lebanon has demonstrated many things, but two consequences are key to the peace process. First, the military losses of the PLO have not diminished the yearning of the Palestinian people for a just solution of their claims; and, second, while Israel's military successes in Lebanon have demonstrated that its armed forces are second to none in the region, they alone

cannot bring just and lasting peace to Israel and her neighbors.

The question now is how to reconcile Israel's legitimate security concerns with the legitimate rights of the Palestinians. And that answer can only come at the negotiating table. Each party must recognize that the outcome must be acceptable to all and that true peace will require compromises by all.

So, tonight I'm calling for a fresh start. This is the moment for all those directly concerned to get involved—or lend their support—to a workable basis for peace. The Camp David agreement remains the foundation of our policy. Its language provides all parties with the leeway they need for successful negotiations.

I call on Israel to make clear that the security for which she yearns can only be achieved through genuine peace, a peace requiring magnanimity, vision, and courage.

I call on the Palestinian people to recognize that their own political aspirations are inextricably bound to recognition of Israel's right to a secure future.

And I call on the Arab States to accept the reality of Israel—and the reality that peace and justice are to be gained only through hard, fair, direct negotiation.

In making these calls upon others, I recognize that the United States has a special responsibility. No other nation is in a position to deal with the key parties to the conflict on the basis of trust and reliability.

The time has come for a new realism on the part of all the peoples of the Middle East. The State of Israel is an accomplished fact; it deserves unchallenged legitimacy within the community of nations. But Israel's legitimacy has thus far been recognized by too few countries and has been denied by every Arab State except Egypt. Israel exists; it has a right to exist in peace behind secure and defensible borders; and it has a right to demand of its neighbors that they recognize those facts.

I have personally followed and supported Israel's heroic struggle for survival, ever since the founding of the State of Israel 34 years ago. In the pre-1967 borders Israel was barely 10 miles wide at its narrowest point. The bulk of Israel's population lived within artillery range of hostile Arab

armies. I am not about to ask Israel to live that way again.

The war in Lebanon has demonstrated another reality in the region. The departure of the Palestinians from Beirut dramatizes more than ever the homelessness of the Palestinian people. Palestinians feel strongly that their cause is more than a question of refugees. I agree. The Camp David agreement recognized that fact when it spoke of the legitimate rights of the Palestinian people and their just requirements.

For peace to endure it must involve all those who have been most deeply affected by the conflict. Only through broader participation in the peace process, most immediately by Jordan and by the Palestinians, will Israel be able to rest confident in the knowledge that its security and integrity will be respected by its neighbors. Only through the process of negotiation can all the nations of the Middle East achieve a secure peace.

These, then, are our general goals. What are the specific new American positions, and why are we taking them? In the Camp David talks thus far, both Israel and Egypt have felt free to express openly their views as to what the outcome should be. Understandably their views have differed on many points. The United States has thus far sought to play the role of mediator. We have avoided public comment on the key issues. We have always recognized and continue to recognize that only the voluntary agreement of those parties most directly involved in the conflict can provide an enduring solution. But it's become evident to me that some clearer sense of America's position on the key issues is necessary to encourage wider support for the peace process.

First, as outlined in the Camp David accords, there must be a period of time during which the Palestinian inhabitants of the West Bank and Gaza will have full autonomy over their own affairs. Due consideration must be given to the principle of self-government by the inhabitants of the territories and to the legitimate security concerns of the parties involved. The purpose of the 5-year period of transition which would begin after free elections for a self-governing Palestinian authority is to prove to the Palestinians that they can run

their own affairs and that such Palestinian autonomy poses no threat to Israel's security.

The United States will not support the use of any additional land for the purpose of settlements during the transitional period. Indeed, the immediate adoption of a settlement freeze by Israel, more than any other action, could create the confidence needed for wider participation in these talks. Further settlement activity is in no way necessary for the security of Israel and only diminishes the confidence of the Arabs that a final outcome can be freely and fairly negotiated.

I want to make the American position well understood. The purpose of this transitional period is the peaceful and orderly transfer of authority from Israel to the Palestinian inhabitants of the West Bank and Gaza. At the same time, such a transfer must not interfere with Israel's security requirements.

Beyond the transition period, as we look to the future of the West Bank and Gaza, it is clear to me that peace cannot be achieved by the formation of an independent Palestinian state in those territories, nor is it achievable on the basis of Israeli sovereignty or permanent control over the West Bank and Gaza. So, the United States will not support the establishment of an independent Palestinian state in the West Bank and Gaza, and we will not support annexation or permanent control by Israel.

There is, however, another way to peace. The final status of these lands must, of course, be reached through the give and take of negotiations. But it is the firm view of the United States that self-government by the Palestinians of the West Bank and Gaza in association with Jordan offers the best chance for a durable, just, and lasting peace. We base our approach squarely on the principle that the Arab-Israeli conflict should be resolved through negotiations involving an exchange of territory for peace.

This exchange is enshrined in United Nations Security Council Resolution 242, which is, in turn, incorporated in all its parts in the Camp David agreements. U.N. Resolution 242 remains wholly valid as the foundation stone of America's Middle East peace effort. It is the United States position

that, in return for peace, the withdrawal provision of Resolution 242 applies to all fronts, including the West Bank and Gaza. When the border is negotiated between Jordan and Israel, our view on the extent to which Israel should be asked to give up territory will be heavily affected by the extent of true peace and normalization, and the security arrangements offered in return.

Finally, we remain convinced that Jerusalem must remain undivided, but its final status should be decided through negotiation.

In the course of the negotiations to come, the United States will support positions that seem to us fair and reasonable compromises and likely to promote a sound agreement. We will also put forward our own detailed proposals when we believe they can be helpful. And, make no mistake, the United States will oppose any proposal from any party and at any point in the negotiating process that threatens the security of Israel. America's commitment to the security of Israel is ironclad, and, I might add, so is mine.

During the past few days, our Ambassadors in Israel, Egypt, Jordan, and Saudi Arabia have presented to their host governments the proposals, in full detail, that I have outlined here today. Now I'm convinced that these proposals can bring justice, bring security, and bring durability to an Arab-Israeli peace. The United States will stand by these principles with total dedication. They are fully consistent with Israel's security requirements and the aspirations of the Palestinians.

We will work hard to broaden participation at the peace table as envisaged by the Camp David accords. And I fervently hope that the Palestinians and Jordan, with the support of their Arab colleagues, will accept this opportunity.

Tragic turmoil in the Middle East runs back to the dawn of history. In our modern day, conflict after conflict has taken its brutal toll there. In an age of nuclear challenge and economic interdependence, such conflicts are a threat to all the people of the world, not just the Middle East itself. It's time for us all—in the Middle East and around the world—to call a halt to conflict, hatred, and prejudice. It's time for us all to

launch a common effort for reconstruction, peace, and progress.

It has often been said—and, regrettably, too often been true—that the story of the search for peace and justice in the Middle East is a tragedy of opportunities missed. In the aftermath of the settlement in Lebanon, we now face an opportunity for a broader peace. This time we must not let it slip from our grasp. We must look beyond the difficulties and obstacles of the present and move with a fairness and resolve toward a brighter future. We owe it to ourselves—and to posterity—to do no less. For if we miss this chance to make a fresh start, we may look back on this moment from some later vantage point and realize how much that failure cost us all.

These, then, are the principles upon which American policy toward the Arab-Israeli conflict will be based. I have made a personal commitment to see that they endure and, God willing, that they will come to be seen by all reasonable, compassionate people as fair, achievable, and in the interests of all who wish to see peace in the Middle East.

Tonight, on the eve of what can be a dawning of new hope for the people of the troubled Middle East—and for all the world's people who dream of a just and peaceful future—I ask you, my fellow Americans, for your support and your prayers in this great undertaking.

Thank you, and God bless you.

Note: The President spoke at 6 p.m. from the studios of KNBC-TV in Burbank, Calif. The address was broadcast live on nationwide radio and television.

United States Ambassador to Portugal

*Nomination of Henry Allen Holmes.
September 2, 1982*

The President today announced his intention to nominate Henry Allen Holmes, of Washington, D.C., to be Ambassador to Portugal. He would succeed Richard J. Bloomfield.

Middle East Policy Survey *a bi-weekly report on Washington and the Middle East*

September 27, 1985
No. 136

MIDDLE EAST

STOKING THE FIRES AT KHARG

For the third time in little more than a month, Iraqi war planes last week scored direct hits on Kharg Island, causing extensive damage to Iran's major oil exporting facility. While calling the raids a "measured" escalation of the conflict, US and diplomatic sources nevertheless are concerned that the September 19 bombing represents a dangerous "turning point" in the five-year-old war.

Having severely damaged the "T" jetty on the eastern side of the island in August, Iraq's September 19 attack - the 10th in five weeks - successfully targeted the larger loading facility and pumping station on the western side of Kharg at Sea Island. While billowing smoke from storage tanks and a sinking North Korean tanker reportedly prevented early intelligence estimates of the damage, well-placed US sources now claim that Kharg Island's operational capacity has been reduced to only 1.1 million barrels a day. Prior to the attacks, Iran had reached a "desired" export level of 1.4 million barrels daily from Kharg and an additional 200,000 barrels a day from terminals at the Lavan and Sirri Islands in the southern Gulf. "The Iraqis not only reduced Iran's exports, but also destroyed most of the Island's unused capacity," said one US analyst. "It wouldn't take much to knock out the rest."

SURPRISE SUCCESS

US officials who had assumed a formidable air defense system at Sea Island, were surprised that the Iraqi pilots met so little resistance. One explanation, offered by an Administration expert, is that the longer-range US Hawk missiles were ineffective against the low-level runs and, moreover, are probably in disrepair. Another problem, according to this source, is that the Iranians have yet to absorb their newly acquired short-range Swiss-made Skyguard anti-aircraft system. "The attacks have demonstrated the overwhelming superiority of the Iraqi air force and its ability to strangle Iran," he said.

US and diplomatic sources believe that the timing of the Sept. 19 raid may have been designed to coincide with the 40th anniversary celebrations at the United Nations. The Iraqis, in their view, may have wanted to focus international attention on an otherwise forgotten war. Moreover, a number of informed observers believe that Iran would avoid retaliation elsewhere in the Persian Gulf while the General Assembly is meeting. "It was a good time to hit," concluded one Administration insider.

HOW FAR WILL BAGHDAD GO :

The attack at Sea Island is seen by some US analysts as the first real sign that Baghdad is serious about depriving Teheran of revenue in order to force the Iranian

regime to the negotiating table. However, due to the worldwide oil glut, a major strike on Kharg is no longer viewed as a last-ditch military option for Baghdad. Instead, the Iraqi tactics are described as "cautious and deliberate." "If Kharg was hit a year ago, half the foreign policy bureaucracy would be cloistered in the [White House] situation room," said one analyst.

Moreover, US sources consider the new Iraqi strategy, at least in the short term, to be cleverly calibrated. They argue if the Iraqis were seeking to deliver a knock-out blow to the Iranian economy, a more logical target would have been the oil terminus on the mainland at Ganaveli where Iranian oil is collected before being pumped to Kharg. "The [Iraqis] could have caused much greater damage there," said one US official. "But for psychological and political damage, Kharg is symbolic." US and diplomatic sources also point to the pattern and intensity of the raids on Kharg that thus far indicate a desire to reduce but not eliminate Iranian exports. By returning to cautious high-level bombing after effective lower-level raids at the "T" jetty, Baghdad has allowed the Iranians to begin repairs. "The Iraqis don't want Iranian exports so low as to wreak havoc in the area," said one analyst. The Iranians, he argues, if desperate and humiliated, could be driven into the Soviet camp or forced to launch major attacks against Iraq's financial backers in the Gulf.

While US officials are "impressed" with the latest Iraqi tactics, they also express concern about possible miscalculations over time. Agreeing that the recent bombings represent merely the next "incremental step" by the Iraqis, one official still warns that there is a "finite progression" at Kharg. "There is a limit to this game and Iraq is already bumping up against the threshold," he said. Another government analyst questioned Baghdad's ability to "finely tune" its campaign to weaken the Iranian economy. "Is it 400,000 barrels a day or 200,000?" he asked.

A key indicator of Iraq's intentions, according to Administration sources, is the rate at which it will allow repairs to continue at both Sea Island and the "T" jetty. Referring to Secretary of State Shultz' meeting with Iraqi Foreign Minister Tariq Aziz early next month, one official said, "We will have to caution Iraq about the possible consequences of further escalation."

POSSIBLE IRANIAN RESPONSES

US and diplomatic sources express concern that the Iraqi raids may trigger a series of possible moves by Teheran against both Iraq and the Gulf states. Of highest probability in the Gulf is a more aggressive campaign to interdict neutral merchant vessels bound for Iraq, and air attacks and terrorist sabotage against Kuwait. "Threats against Kuwait have become a common refrain with [President] Khamenei," said one Administration official. "We are beginning to take them seriously." These sources, however, dismiss as "remote" major operations against Saudi Arabia or neutral oil tankers. "Such acts would only demonstrate Iranian weakness and activate the US," said one Arab diplomat. The chances of a desperate Iranian move in the lower gulf, however, increase only if Iraq were to choke off Teheran's oil exports. "Iran needs the Strait of Hormuz, too," said one observer.

US officials believe that Teheran's options against Baghdad are also limited. Iran could seek anti-aircraft missiles from Moscow, but, in the words of one analyst, "You don't put in an air defense system over night." And the renewal of Scud missile attacks on Baghdad would draw Iraqi aerial raids on Teheran. The most likely and feasible Iranian option, according to US sources, is a series of limited ground offensives in the central and southern sectors along the 600-mile battlefield ("It's that time of year," said one official). The Iranians, it is thought, will try again to erode the morale of the Iraqi forces in preparation for another major ground offensive next spring.

TUNISIA AND LIBYA: "A WAR OF NERVES" HEATS UP

This week, what one State Department official termed the month-long "war of nerves" between Tunisia and Libya, took a turn for the worse. According to informed sources, on Tuesday Libyan jets again violated Tunisian air space. More ominously, the Libyans for the first time acknowledged the violation. One previously skeptical analyst said, "This creates a new period of tension."

For over a month the Tunisians have been clamoring for a more vigorous response from both the US and France. They claim that Libyan strongman Muammar Qaddafi has embarked on a campaign of intimidation against Tunisia, that unless stopped early, could escalate out of control. The fear, based on past allied response to Qaddafi's adventures, particularly his invasion of Chad, is that US and French assistance could arrive "too little and too late." "We fear that Tunisia will pay for the lack of US and French coordination," the Survey was told.

LIBYA'S DESIGNS

US officials discount the likelihood of a Libyan invasion of Tunisia. Instead, they believe that Qaddafi is mainly interested in laying the groundwork for a more pliant successor regime in Tunis when President Habib Bourguiba, now 82 and in failing health, passes from the scene. "Qaddafi wants to put the next generation of Tunisian leadership on notice," says one well-connected Administration official. This official also believes Qaddafi's strategy will succeed, if only because Bourguiba alone among Tunisian leaders has the stature to risk a confrontation between Tunisia and its far more powerful neighbor.

So far Tunisia has not blinked in this latest crisis which began in August when Tripoli ordered the expulsion of 30,000 Tunisian workers. The US and Tunisia agree that Libya's motivations are both economic and political. Suffering from an inability to generate sufficient income in a declining world oil market, Libya has not been alone among oil-rich states in deporting "guest workers." The timing, however, for this mass expulsion, US and Tunisian officials agree, was based on political considerations. They are convinced it was an attempt to provoke internal unrest in Tunisia during the national strike called by that nation's largest trade union for the end of August. However, this Libyan strategem badly misfired as the Tunisian union leadership cancelled the strike and rallied to the side of the government.

TUNISIA GOES LOOKING FOR HELP

Having gained wide popular support against the Libyan threat, the Tunisian government then turned to its friends within the region (notably Algeria) and to the US and France. The French, in particular, were reportedly skeptical. They suspected the Tunisian government of using the crisis for its own domestic purposes, namely to moderate increasingly unruly union behavior. While conceding that Qaddafi had provoked the trouble for some of the reasons cited by Tunisia and the US, the French also saw some justification in Libyan behavior. The French say that seen from Tripoli's perspective, the developing Tunisian-Algerian-Egypt "axis" could be construed as a major threat to Libya. Moreover, the French with long experience in the region also tend to be somewhat cynical of what one analyst describes as "passions that rise and fall so quickly" among North African states.

The US government, for its part, is more exercised about the "war of nerves." After the mass expulsions, the Administration stepped up intelligence sharing with Tunisia; offered to accelerate arms deliveries, and sent the Chief of Naval Operations, Admiral James Watkins on a high profile visit to Tunis. According to US officials, the Administration also proposed sending a ship from the Sixth Fleet to Tunisian waters, but this offer was declined by Tunis.

With some of its major population centers less than 6 minutes flying time from Libyan bases and its own modest supply of US-built F-5 fighters woefully inadequate to meet the Libyan challenge, the Tunisian government desires "a more forceful and more visible type of US commitment," the Survey was told. While the Tunisians have avoided naming specifics, it is clear that US Sixth Fleet operations in the Gulf of Sidra, like those that resulted in a dogfight between US and Libyan jets in 1982, would be highly welcome.

While concern is rising among some Administration policymakers, particularly outside the State Department, it clearly will take more than a few Libyan overflights to generate major new US moves.

EXECUTIVE BRANCH

HUSSEIN COMES TO WASHINGTON

US Jordan watchers have their sights fixed squarely on King Hussein as he makes a major address at the United Nations today and follows up with a White House meeting with President Reagan on Monday. Hanging in the balance is the future of the Middle East peace process and the Administration's plans to provide advanced aircraft and air defense missiles to the Hashemite Kingdom.

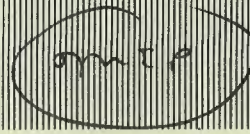
US officials are hoping that a new commitment by Hussein to the peace process will breathe life into the now dormant peace process. Having firmly closed the door to a US meeting with a joint Palestinian/Jordanian delegation, the Administration needs some kind of commitment from Hussein to direct negotiations with Israel in order to elicit the required Israeli support. Such a commitment would also greatly assist Administration efforts to gain Congressional approval of the arms sale.

[Notification of the arms sale was originally slated for today. However, well informed Administration sources tell the Survey that it will probably be delayed at least until after Hussein's Washington visit. Moreover, these sources indicate that the Administration will not immediately request Congressional funding for the weapons package. Instead, the Administration will seek to reassure Congress that it now has a number of opportunities to block the sale if there is no progress in the peace process.]

AVOIDING THE WORST

The worst case scenario feared by Administration officials is a repetition of Hussein's demand for PLO participation that he expressed in an interview in Newsweek magazine this week. [They are less concerned about his threat voiced in the same interview to turn to the Soviet Union if Congress rebuffs his request for arms. Said one senior Administration official, "I think Hussein knows Israel won't stand for a major influx of Soviet weapons into Jordan."]

They also hope Hussein will not emulate the behavior of Egyptian President Hosni Mubarak during his meetings in Washington this week. Mubarak and his entourage repeatedly called for US meetings with the PLO and were not satisfied by the standard Administration response - the US commitment to Israel not to deal with the PLO until it accepts UN resolution 242 and Israel's right to exist. At one point, after being rebuffed, Mubarak reportedly blamed US rigidity on the power of the "Zionist Lobby."



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EXECUTIVE BRANCH

FIGHTING TERRORISM: SUCCESS AND CONFUSION

The confusion that marked US policy toward the Israeli raid on Tunis last week gave way to bold action at the end of the hijacking of the Achille Lauro. While the Administration is now basking in the glory of successful action against the Palestinian hijackers, a number of analysts believe that failure to apprehend the terrorists would have resulted in policy problems dwarfing those resulting from the Tunis raid.

They argue that by delivering a warning to Cairo about its responsibility for the prosecution of the Achille Lauro hijackers, the Administration risked seriously damaging Egyptian-American relations. Some Administration insiders believe that senior US officials, notably Secretary of State Shultz and National Security Adviser McFarlane have allowed terrorism to overshadow other important considerations. "Terrorism and anti-terrorism are rapidly becoming the most important initial determinant in our reaction to events in the Middle East," said one US official. Such was the case in the initial US reaction to the Israeli attack on PLO headquarters in Tunis.

THE TUNIS RAID

On Tuesday morning Oct. 1 at 7:00 a.m. Administration officials were informed that the Israeli air force had bombed PLO headquarters in Tunis. Although Administration officials complain that the Israelis have yet to share any significant information about the raid, it was clear from the outset that Jerusalem was retaliating for the murder of three Israelis in Larnara, Cyprus six days earlier.

Secretary of State Shultz was in New York for the United Nations General Assembly session when he first heard of the Israeli raid. With him were senior Department officials including his chief political adviser Michael Armacost and his top Middle East expert Richard Murphy. Together, and in consultation with the White House, they formulated the initial Administration response.

According to informed sources, the Administration's primary objective was to acknowledge the action as an appropriate response to international terrorism. "We want to reserve the right to strike at terrorism overseas," said one US official.

Moreover, US officials were impressed with the boldness and accuracy of the Israeli strike. National Security Adviser Robert McFarlane told aides, "That is exactly the right kind of strike. They [the Israelis] got the right people and minimized civilian casualties." [Some Pentagon officials were also impressed with the technical proficiency of the Israeli air force. "There may be eight pilots in the US air force who could do that, but I doubt we could get them together on a given day," commented one high-ranking officer. Another wondered how the Israelis could avoid detection. However, Pentagon sources insist only one vessel from the US Sixth Fleet was in the vicinity and it did not contain sophisticated tracking devices.]

A second important consideration for Shultz was the need to emphasize that Israel acted in self-defense. Such a finding is required so that Israel will not be in violation of US law that bars the use of American equipment except in self-defense. This point was reportedly pressed home to Shultz by his executive secretary Charles Hill, who previously served as chief of the Israel desk at the State Department.

By 9:45 a.m. Shultz and the White House had worked out the language for a statement to be given by White House deputy press secretary Larry Speakes. Although some of Shultz' aides later complained that Speakes went further in support of Israel than the "guidance" provided, what Shultz agreed to had already set off alarm bells in the State Department.

Lower level officials familiar with Tunisia and the Arab world protested against the impending statement. They argued that by supporting the Israeli attack, the Secretary was undermining the pro-western government of Habib Bourguiba. These protests were, however, turned aside. First, the White House, and at noon, the State Department issued statements.

SHULTZ CHANGES HIS MIND

The process of reversing the policy began almost immediately. At a luncheon in New York with Foreign Ministers from the Gulf Cooperation Council, Shultz ran into a storm of protest. The Arab diplomats reportedly were more upset with the US reaction than the actual Israeli attack.

After the luncheon Shultz immediately began to backpeddle. Regret was expressed for Tunisian casualties. Shultz issued another statement where support for Israel was notably absent. "We expanded our reaction," said one US official with a smile. On Wednesday, the Administration issued a second "more balanced" official statement, "It's a lot better today," commented one State Department Middle East expert.

Soon the officials who protested Shultz' initial reaction were professing to see a silver lining in the unfolding US policy. Let down by the US, the Bourguiba government, they reasoned, would be less likely to continue its shouting match with Libyan strongman Muammar Qaddafi. The Libyans, on the other hand, would have to be more cautious in the short term after Tunisia had suffered at the hands of the common enemy, Israel.

Finally on Saturday, US policy came full circle as the Security Council for the first time condemned Israel as an "aggressor," with the US abstaining. Administration Middle East experts had warned Shultz that because of the initial US support for Israel, Tunisia would have been forced to break diplomatic relations with the US if the Administration had vetoed the resolution. "If it weren't for the confusion," said one obviously delighted State Department insider, "we would never have abstained."

ISRAEL'S VIEW

The Israelis meanwhile profess to be unperturbed by the fluctuations in US policy. For them the raid was a simple act of displaying Israeli military prowess and striking against the PLO's "Force 17." This unit, operating throughout the Middle East, from bases as far flung as Tunis and Aden, was deemed responsible for the Larnaca killings. [Its commander Abu Tayyeb was in Amman during the Larnaca attack. According to informed sources, Jerusalem protested Tayyeb's presence in Amman to the Administration. When King Hussein was informed by Washington, he ordered Tayyeb's expulsion. Tayyeb arrived in Tunis shortly before the Israeli airstrike, but apparently survived it.]

While the Israelis assert that Arafat's growing use of Force 17 is tied to his "carrot and stick" approach to the peace process, they deny their military action is linked in a similar way. Moreover, they reject suggestions that the air strike was designed to kill Arafat or serve as a warning to Jordan. "[Israeli Prime Minister] Peres would not hit Jordan unless there were cross border attacks," said one Israeli.

ARMS TO JORDAN: THE BATTLE IS JOINED

Congressional observers believe that the recent rise in terrorism may work against Administration efforts to win approval of sophisticated aircraft and missiles for Jordan. "It affects the atmospherics up here," said one Senate source. "It appears less and less likely that something is going to happen [in the peace process] so why pour in more arms." Adding to Administration problems is an arms sales campaign that has already irritated key Senators.

The Administration, which had planned to delay notification of the arms package until after King Hussein's Washington visit, abruptly changed course on the evening of September 26 and announced the proposed sale the following afternoon - three days before Hussein's arrival. Administration officials concede that the surprise announcement may have violated assurances by Secretary of State Shultz to seek "broadbased and constructive consultations" with the Senate prior to any request for arms to Jordan. Deputy Secretary of State John Whitehead was dispatched to Capitol Hill to apologize to Senators Robert Kasten (R-Wisc.) and Daniel Inouye (D-Hawaii) who had extracted the pledge last June in exchange for their support of additional economic aid for Amman. "I regret having relied on [your assurances] in my discussions with my fellow Senators," Inouye wrote in a stinging letter to the Secretary of State. Kasten, chairman of the influential Appropriations Subcommittee on foreign aid, was even more blunt in his message to Shultz: "I have successfully persuaded my colleagues to follow my lead on many foreign policy issues of importance to the Administration...Without a significant change on your part, I will not do so in the future."

THE HUSSEIN VISIT

A number of Congressional critics of the arms package, most notably Senator Rudy Boschwitz (R-Minn.), had agreed not to join a resolution to block the sale pending the results of Hussein's visit. According to Congressional sources, the Senators were led to believe by Administration officials that substantial progress would be made toward direct Arab-Israel peace negotiations. Boschwitz and likeminded colleagues, however, were quick to sponsor the resolution after hearing what one legislator called "disappointing, depressing and discouraging" reports on the meetings with the Jordanian monarch.

Beyond the King's positive rhetoric on direct negotiations and non-belligerency with Israel, the Administration, according to Congressional insiders, was unable or unwilling to point to any specific movement. US officials, they assert, merely reiterated their belief in Hussein's "sincerity" and said the visit provided them with a "better understanding of the problems." Moreover, these officials reportedly argued that since Hussein could not be expected to go beyond his current initiative, the remaining obstacles (i.e., the international conference and a preliminary US meeting with a joint Palestinian/Jordanian delegation) were American and not Jordanian "problems."

Despite these initial setbacks for the Administration's case, Congressional sources agree that Hussein made some "headway," particularly in his session with the Senate Foreign Relations Committee. "He was charming and effective," said one Senate staffer. While these sources question whether the King was able to "pick up any votes," they assert that the respected committee chairman, Richard Lugar (R-Ind.), who earlier this month had urged the Administration not to submit the arms proposal, was now prepared to accept and support the request. "Lugar was always expected to support the Administration," said one Senate colleague who opposes the sale. "The question now is the level of his enthusiasm."

THE PROSPECTS

In organizing its lobbying effort, the Administration has formed three "teams" (labeled Red, White and Blue) each including a Pentagon and State Department representative. Administration sources acknowledge that they are not only facing an uphill fight, but possibly a major and costly political confrontation with Congress. "The White House has an ostensible commitment to an all out fight but hasn't thought through what that means," said one senior US official.

Administration strategists have all but ignored the House of Representatives where it is believed that opponents of the sale already have a two-thirds majority needed to override a Presidential veto of a resolution blocking the arms sale. On the Senate side, Administration officials concede and Congressional sources flatly predict there are 51 votes needed for passage of a "resolution of disapproval." Chances of a veto override, however, are less certain ("50-50," said one Senate aide who noted that the 1973 War Powers Act was the last time both Houses overrode a veto on a foreign policy issue).

Even Senate and House opponents, however, are hoping to avoid such a confrontation. Their strategy is to garner enough cosponsors on a resolution to convince the Administration to withdraw the proposal before submitting a "formal notification" of the arms package later this month. And a group of House Republicans has requested a meeting with the White House this week in an effort to significantly scale down the package. It is highly unlikely that the Administration would remove the 40 advanced fighter aircraft or the Hawk surface-to-air missiles from the package, but one senior Administration official did not rule out the possibility that the White House would pull back the entire package in the face of overwhelming opposition. Unlike the 1981 AWACS sale, which narrowly survived a Congressional challenge, this official predicts that the Administration ultimately will not risk a defeat on the Jordanian proposal.

Should the Administration prevail, however, it will still face annual battles over funding for the sale. Administration officials estimate that the US share, spread over five years, will be about one-half of the \$1.5 billion to \$1.9 billion package. The Jordanians, however, have suspended all discussions on financing, according to Administration sources. "All Hussein wants now is a show of US backing," said one State Department official. "He will deal with the money later." While Administration officials are seeking to reassure Congress that it can always deny the first installment of funds for the weapons next year if there is no progress in the peace process, some US policymakers still harbor the hope that the Saudis will eventually pick up the tab. Thus far, Riyadh has rejected US appeals for financing on the grounds that a portion of its \$500-\$600 million annual aid program to Amman can be used for such weapons purchases.

SAUDI ARMS

Some Administration officials remain bitter over the decision to drop the Saudi F-15 aircraft sale, which in their view could be won on Capitol Hill, in favor of a "losing battle" for the Jordanian package. "We have the worst of both worlds," said one official, arguing that the US has not only lost Saudi cash, but in all likelihood, the Jordanian proposal as well.

Piqued at the Administration's decision to postpone indefinitely additional F-15s, the Saudi military last month reopened negotiations over a scaled down US proposal for Sidewinder air-to-air missiles, Stinger anti-aircraft missiles, Harpoon anti-ship missiles and Black Hawk utility helicopters (Survey, Sept. 13). The Administration was prepared to notify Congress of the proposal, but the Saudis claimed they wanted to reconsider the offer in view of other financial priorities. According to reliable Administration sources, Riyadh's political leadership, seeking to avoid any "evidence of political tension" with the US over their purchase of the British Tornado aircraft or this latest US proposal, intervened this week to finalize the deal. With the Saudis in no hurry to receive the materiel, the Administration may delay announcement in order to avoid further jeopardizing the Jordanian package.

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EXECUTIVE BRANCH

STRAINS WITH THE ARABS

The US continues to face difficulties in its relations with key Arab states in light of recent events in the region. Last week the United Arab Emirates (UAE), following Oman's lead, announced its intention to establish diplomatic relations with the Soviet Union. Previously, Kuwait was alone among members of the Gulf Cooperation Council (GCC) to maintain formal ties with Moscow. State Department officials expect Bahrain to be the next to fall in line and according to one well-informed Administration official, "it won't be long before the whole crowd joins in."

While most Administration Middle East experts are quick to point to the importance of "local circumstances" in determining these discussions, some officials consider the moves towards Moscow as part of longer term, more troubling trend. "These states are convinced that the US can't deliver on its commitments," said one State Department official. This official cited in particular the failure of the Administration to provide advanced aircraft to Saudi Arabia and Jordan. Another State Department official argues that the US defeat in Lebanon had a devastating impact on the smaller Gulf states and that the Administration's qualified approval of the Israeli raid on PLO headquarters in Tunis may have tipped the balance.

In Tunisia, US officials report, the atmosphere has still not returned to normal. "The elite there is scared to death," says one State Department insider. "We have alienated a lot of our old friends." The anger is apparently directed more at the US than Israel. "What do you expect when you are in a state of war [with Israel]" is the way one Arab diplomat dismisses Israel's role.

A LETTER FROM BAGHDAD

US responsibility for the Tunis raid was also stressed in a vitriolic message from Iraqi President Saddam Hussein to President Reagan. Linking the raid with the US interception of the Achille Lauro hijackers, Saddam Hussein denounced what he called American "disdain for the sovereignty and dignity of all Arab states."

Senior US officials, including Secretary of State Shultz were, in turn, outraged by the Iraqi President's letter. Shultz reportedly was incensed not only by what one official called its "intemperate language," and that the letter was delivered just prior to President Reagan's departure for the Geneva summit, but also because the Iraqis had encouraged other Arab governments to send similar messages to Washington. As a result, US officials have prepared a strong response. "While we use more temperate language, our message is clear, - 'Who are you to lecture us?'" said one State Department official. According to another well-informed source, to make certain the message is heard beyond Baghdad, the US response will be given wide circulation among friendly Arab governments.

The Administration has been more low-key in its response to the decision by Oman and the UAE to establish ties with Moscow. US officials have, however, warned these states to

be careful in their dealings with the Soviet Union. "Beware of commercial reps," is one US official's advice - a reference he explains to the Soviet penchant for infiltrating intelligence agents under the guise of commercial missions. Another official was more blunt. "We tell them 'you are opening the door to a KGB presence which has nasty repercussions. They won't associate with your friends.'" However, the Kuwaitis who have long maintained diplomatic relations with Moscow dismiss these warnings. "We have had the Soviets there for twenty years and there have been no problems," said one Kuwaiti diplomat.

THE WAITE MISSION

The Kuwaitis also take a different view of the efforts of Terry Waite, the Anglican Church official who is trying to negotiate the release of the American (and other) hostages in Lebanon. According to informed sources, Kuwaitis have flatly refused to meet with Waite or allow him to come to Kuwait. Insisting they will not negotiate over the fate of "criminals in jail" the Kuwaitis argue if they were going to negotiate it would have been "when one of our own planes was hijacked (to Iran)."

Administration officials insist (and the Kuwaitis acknowledge) there has been no direct pressure from Washington for negotiation. "We won't pressure Kuwait even indirectly as we did Isarel," insists one well-connected Administration official. However this official believes there may be some flexibility in the Kuwaiti position particularly regarding the commutation of death sentences on three of the prisoners in custody.

More important, say US officials, is the belief that the radical Shiite group in Lebanon that holds the hostages may be tiring of its role. "The Waite mission is our best chance yet," says one US official.

MIDDLE EAST

IRAQ'S TROUBLES

US difficulties in the Gulf pale in comparison with those being faced by Iraq. The recent GCC summit in Oman was marked by a shift towards neutrality in the Gulf War. Baghdad protested what one Arab diplomat concluded was the decision to place Iran and Iraq on "equal footing."

US analysts believe the GCC is trying to position itself for a renewed attempt at mediation. The likely candidates, according to these analysts, are Oman and the UAE. However, if the GCC states conclude that Iran is planning a new offensive in the spring, they will delay their efforts until later next year, according to these analysts.

Meanwhile US officials note the Iranians have been able to repair much of the damage to the Kharg Island facilities inflicted by Iraq's surprisingly successful raids in August and September. According to informed sources, Iranian exports are back up to their pre-August level of approximately 1.5-1.7 million barrels per day.

To some analysts, the ability of technicians to rapidly restore Iran's oil export capability is of secondary importance. The true significance, they argue, lies in the lessons learned by the Iranian political leadership. "For years the Iraqis threatened to 'take out' Kharg and did nothing," observes one US analyst. "When they finally made good on their threat, it awoke the Iranians to the real danger." This analyst further argues that Iraq made a major strategic blunder by exposing Iranian weakness and then failing to follow through. Now he asserts the Iranians are embarked on a crash program of diversifying their oil export outlets and strengthening their air defense system at Kharg.

Other US sources acknowledge the Iranians have been, in one official's phrase, "energized." They apparently have already put in place so-called "mooring buoys" - temp-

orary docking facilities for oil tankers - which are relatively easy to replace. In addition, the Iranians have dusted off plans dating back to the reign of the Shah for the construction of alternative pipelines that would be less vulnerable to Iraqi air attacks. The Iranians have already been in touch with foreign contractors to discuss construction and financing of pipelines that would terminate farther south in the Gulf. However, given Iran's shaky economic situation, US officials believe Teheran will find ambitious pipeline projects difficult to finance.

Although the Iraqis insist they can still hit Iranian land-based terminals and that they had no choice but to increase the military pressure on Iran, US officials remain unimpressed. One US official concludes, "The Iraqis again started something they weren't able to finish."

RISING SYRIAN FORTUNES

In contrast to setbacks for Iraq, its longtime rival, Syria, has reaped major diplomatic gains in recent weeks. Several US and diplomatic sources assert that Jordanian concessions to Damascus may not only enable President Hafez Assad to exercise a veto over future Arab moves in the peace process, but could also lead to growing Syrian influence over Jordan. "The Syrians want control not peace," said one Arab diplomat in describing the reconciliation talks between Amman and Damascus.

SYRIAN-ISRAELI DOGFIGHT

The only blow of late to Syrian fortunes came at the hands of Israeli pilots who earlier this week downed two Syrian jets while on patrol over Lebanon. According to informed sources, the Syrians routinely "scramble" warplanes during Israeli reconnaissance flights but only approach the Israeli jets as they are flying southward back to base. During this week's patrol, however, Syrian MIGs reportedly closed in on the Israeli planes as they were flying northbound during the early stage of the mission.

Israeli analysts offer a variety of explanations for the unusual Syrian intercept. Some believe it was an attempt to draw attention to the Middle East during the Geneva summit. Other analysts, however, assert that the Syrians sought to catch the Israeli pilots by surprise and win domestic and regional support by shooting down an Israeli fighter jet. "It would have been a major propaganda victory for Assad," said one Israeli. "Downing an Israeli plane would be seen as vindication of his massive military expenditures and demonstration that Syria had neared its goal of military parity with Israel."

As it turned out, Administration officials were able to offer high praise for the accuracy of the US-made AIM9L air-to-air missiles which were fired from the Israeli F-15s at a range of 20 miles. Said one, "It was a remarkable feat." Usually 13 miles is the normal range of the missile."

GAINING THE UPPER HAND WITH JORDAN

But the Israeli victory in the air did not detract from Syria's diplomatic achievements on the ground last week. A number of informed US and diplomatic sources declare Assad the "clear winner" in the aftermath of the reconciliation talks in Damascus with Jordanian Prime Minister Zaid Rifai. "The Syrians got everything and gave up nothing," said one Arab diplomat. One Administration official concurred. "The Syrians are smiling quietly," he said. "You just have to read between the lines of the communique [issued after the Assad-Rifai meetings]." Referring to the concessions as "one-sided," one US analyst said the Syrians were able to administer a "spanking" to Arafat (the communique avoided mention of the PLO or the Feb. 11 Hussein-Arafat accord) and secure a commitment against independent Jordanian action in the peace process.

US and Arab sources were particularly surprised by Hussein's admission of the accuracy of Syrian charges that the Moslem Brotherhood had used Jordan as a base for operations against Syria. One source noted Hussein, who denied any knowledge of the activities of anti-Syrian saboteurs, had, in fact, met frequently with members of the Moslem Brotherhood and his brother, Crown Prince Hassan, had supervised many of their operations. While Rifai succeeded in gaining a Syrian pledge not to engage in subversive activities against King Hussein, one US official noted that the lifting of trade restrictions between the two countries will make the border more porous, allowing easier infiltration by the Syrians.

Arab diplomatic sources, who believe that the communique may signify a major shift by Jordan, argue that Hussein had little choice but to move toward Syria in light of his continuing difficulties with the PLO and his inability to secure sophisticated American weaponry. [Some US officials now believe that the Jordanians have "written off" the arms package and may soon begin flirting with the Soviets as a means of extracting Saudi financing for European-made planes.] These sources argue that should the Syrians succeed in coopting Jordan, Yassir Arafat, in turn, would be forced to return to the Syrian fold. "The US, [Shimon] Peres and Egypt will be the losers," said one Arab official.

While conceding that the Syrians have achieved the upper hand in their talks with Jordan, a number of US officials view the case for a major Jordanian strategic shift as overdrawn. While Amman is clearly courting the Syrians, these officials argue that the King and Prime Minister are only "playing for time" in the hopes of further movement by the PLO. Rifai, according to one Administration insider, has always believed that Jordan must first achieve a "benign" Syrian attitude before moving on other fronts.

THE INTERNATIONAL CONFERENCE

By emphasizing an international conference as the only framework for negotiations, Hussein, according to US officials, was also trying to draw Syria into the peace process. But these same officials assert that unswerving Syrian demands (i.e., active Soviet participation and a single pan-Arab delegation) are "non-starters."

According to reliable sources, even the US has "hardened" its position on the conference issue in recent weeks. In separate meetings last week with Israeli Defense Minister Yitzhak Rabin, Secretaries Shultz and Weinberger reportedly railed against an international conference that would include the Soviet Union. Although Peres has accepted only an international "accompaniment" for direct Israeli-Jordanian talks, Israeli sources note that the Prime Minister has edged toward more active international participation. "Israel is having to defend something it opposed only a few weeks ago," said one informed source in reference to the Rabin meetings. "The perception is that Israel is now a proponent of a conference." Some Israelis blame Peres for this perception since he promoted the concept of an international role. They note, however, that following his visit to Washington, Defense Minister Rabin delivered a tough speech in San Francisco in which he characterized an international conference as an "obstacle to peace."

Shimon Peres' willingness to press the peace issue was evident in his demand for Ariel Sharon's ouster from the Cabinet. But his acceptance of a compromise settlement was seen in Washington as yet another indication of his weakness. Despite predictions by Peres' advisers, the religious parties refused to join Labor in forming a narrow coalition government without the Likud which had threatened to leave the government with Sharon.

Moreover, Peres was unwilling to test his recent surge in public opinion polls by calling for new elections. "Israeli polls are not conclusive," said one US source close to the Israeli scene. "Peres' personal popularity is high, but support for Labor remains the same." US and Israeli analysts also believe Peres' standing would suffer in an election campaign over the next three to six months. Nascent austerity reform measures adopted by the unity government would likely be abandoned, creating an economic crisis that Peres would be unable to manage.

Middle East Policy Survey *a bi-weekly report on Washington and the Middle East*

EXECUTIVE BRANCH

IMPACT OF THE POLLARD SPY CASE

The decision by the Israeli Cabinet last Sunday to issue a qualified apology and promise a limited investigation of the "Pollard Affair" has temporarily relieved the tense atmosphere in US-Israeli relations. However, Administration officials warn Jerusalem still has a long way to go before dispelling the anger and suspicion that the spy case has engendered.

Some of Israel's best friends and supporters were among those most outraged by the disclosure that Jonathan Pollard had been charged with spying for Israel. "We expect this sort of thing from our adversaries, not our friends," said one Congressional aide. "There are too many in Israel who have no sense of limits," said one usually sympathetic US official. "No matter what we do for them, it is not enough. They are never too secure, too confident. And this attitude, I'm afraid, is widespread," he adds.

However, a number of informed Israelis as well as some US officials believe the Pollard case is the result of a "rogue" intelligence outfit. Referring to Rafael Eitan, the alleged mastermind of the intelligence operation, one well-connected Israeli says bluntly, "Politically, he's a nut." Some US officials agree that only an extreme element in Israeli society which is distrustful of the US commitment and uncomfortable with the feeling of dependence on Washington would consider employing a US citizen to spy. Moreover, they argue that the mainstream Israeli intelligence outfits, the Mossad and Military Intelligence, have over the past decade developed unprecedented access to US information which they would be loathe to risk.

THE US-ISRAELI INTELLIGENCE RELATIONSHIP

Israeli officials are fond of telling (some say trumpeting) the improved level of cooperation in intelligence matters over recent years. While few would go as far as one former senior Mossad official who declared, "We are able to obtain 95% of the information we need from the US openly," most appear satisfied. "We are comfortable giving and asking in return," says one well-connected Israeli. He then adds, "We believe US officials feel the same way."

However, both sides acknowledge there are limits to the relationship. To begin with, there is a prohibition on sharing information regarding US friends in the Arab world such as Jordan, Egypt and Saudi Arabia. This much the Israelis acknowledge. In addition, the US will not provide intelligence on nuclear developments. Nor will the US share "operational" intelligence. [But then neither will Israel, much to the chagrin of American officials who are still awaiting further information on Israel's raid on PLO headquarters in Tunis.]

These areas excepted, US officials acknowledge a wide-ranging and deep degree of cooperation. One State Department official proclaims, "The intelligence sharing we con-

duct with Israel is among the best we have in the world." Others caution that it is not in the same league with Britain or Canada. Still, they admit it is comparable to the level of cooperation the US has with other allies such as France and West Germany.

That being said, some Administration insiders believe there are still many working level officials who are uncomfortable with the relationship. "The CIA doesn't like the publicity Israel and its supporters give to the intelligence sharing." More important, some Administration insiders predict the Pollard affair will be used by those in intelligence who do not like the "new, improved" US-Israeli intelligence relationship. As if to underscore that point, one Capitol Hill source notes, "There's a great deal of resentment in the intelligence community over the Pollard affair. People are saying that if the Israelis behave like this, they should be treated differently."

However, a number of well-informed US officials flatly predict that the Pollard spy case will not affect long-term US-Israeli intelligence sharing. They note that Israeli anti-terrorism intelligence is first rate and more important, up-to-date. They also consider Israel's intelligence on unfriendly Arab states such as Syria and Libya to be of "excellent" quality. Finally, they cite the unparallel arms "windfall" that has been provided over the years as a result of Israel capturing sophisticated Soviet weapons employed by Arab armies.

Still there are some doubters. One well-connected US official argues that the last batch of captured Soviet equipment arrived "years ago." While acknowledging the initial importance of Israeli anti-terrorism information, this official contends this too was of greater value in years past, before the US brought its own "resources" to bear. Finally, this official speaking for some in the intelligence community complains that the Israelis need to be more open in their delivery of intelligence data. However, even this official admits that guidelines for Israeli-US intelligence sharing remain unchanged in the wake of the Pollard affair. And more important, note the Israelis, the meeting this week of the Joint US-Israeli Military Group was held as usual with no subjects avoided.

THE POLITICAL DIMENSION

The alacrity with which senior US officials including Secretary Shultz accepted the Israeli apology is the result of Administration backing for Prime Minister Shimon Peres. Even critics of Israeli policies across the board single out Peres as an exception. On a practical level, Shultz, according to aides, is determined to prevent the Pollard spy case from causing the collapse of the Labor-led coalition. "We've got a political imperative here, Peres' scalp," says one Administration insider.

Still Shultz and other Peres backers were gravely offended by reports out of Jerusalem that the Israeli spying had turned up similar US transgressions. "These kind of officially inspired leaks can turn Shultz off to Peres overnight," warns one State Department official.

More difficult to control for the Israelis, or for that matter Shultz and his aides, is the course of the US Justice Department investigation. "In a sense we are pursuing two policies, one at State and one at Justice," explains a State Department official. "The policy at State is to get the matter settled quickly and quietly," he says. At Justice, he complains, "They are hopping up and down with an apparent need to explain everything to the press on a daily basis."

In the meantime, these State Department officials worry that Jerusalem is wasting time with its own investigation. "The Israelis are feeding suspicions. The longer they take the more conspiracy theories there will be spawned," predicts one official.

REACTION ON THE HILL

As the Administration and the Israeli government continued to wrestle with the Pollard issue, two key pro-Israel Senators this week withdrew their amendment to lower Israel's debt repayment to the US government. The proposal, initiated by Senators Robert Kasten (R.Wisc.) and Daniel Inouye (D-Hawaii), would "buy down" the interest rate on past loans from 11 percent to 5 percent, thereby lowering Israel's debt repayment by more than \$500 million this year.

The decision to withdraw the amendment led to speculation that the Pollard affair had already impacted on Israel's support in Congress. However, Congressional proponents of the Kasten-Inouye amendment argued that budget considerations had made the proposal "highly controversial" even among Israel's staunchest allies on Capitol Hill. "This amendment was never destined to pass this year," said one Congressional observer. Moreover, even the Israelis had not actively advanced the "buy down" proposal in the wake of their commitment not to seek additional aid this year in exchange for Administration approval of \$1.5 billion in emergency economic aid. [While the Administration had threatened to veto the legislation if passed, US officials were privately pleased that the issue was raised. "It has forced us to review the worldwide debt repayment problem," said one Administration official. "It is inevitable that the US will have to lower interest rates for a number of aid recipients." One State Department source concurred, "Inouye and Kasten have done us a favor."]

Nevertheless, a number of legislators conceded that the investigation of the Pollard case had, at least temporarily, affected the atmosphere in Congress. "This was not the propitious climate for advancement of the [Inouye-Kasten] amendment," said one member of Congress. One well-placed Congressional observer put it this way, "There was an undercurrent that convinced Kasten and Inouye that now was not the time to push an already contentious proposal."

However, assuming the completion of a satisfactory investigation, Congressional sources predict that the Pollard affair will represent, in the words of one Congressman, "a footnote rather than a chapter" in US-Israel relations. "It will provide grist for the mill for those not favorably disposed toward Israel, but I doubt it will change any votes," said another member of Congress. "There are no cosmic repercussions," he added.

MIDDLE EAST

MORE TROUBLE FOR EGYPT

Only two months after the Achille Lauro affair, Egyptian President Hosni Mubarak has suffered another political setback at the hands of terrorists. While Mubarak has sought to focus blame on Libya for masterminding the Egyptian hijacking, it is the Egyptian government which is drawing criticism at home for its failed rescue assault.

While supporting Cairo's decision to storm the hijacked Egyptian plane in Malta, US officials assert that the assault was "ill-prepared" and "heavy-handed." Noting that the explosives used in the rescue operation contributed to the high death toll, one Administration official said the Egyptian team acted like "macho commandos wanting to use too much rather than too little firepower."

US sources were also critical of the Egyptian decision to proceed without the assistance of a team of US anti-terrorist experts. This unit carried sophisticated listening devices which could have pinpointed the position of the hijackers in the aircraft. Moreover, these sources argue that the Egyptian commandos should have tried to capture one or more of the terrorists who could then have provided concrete evidence to implicate Libyan strongman Muammar Qaddafi. [Bowling to Libyan pressure, Malta has refused Egypt's extradition request for the lone surviving hijacker.]

In the wake of the Achille Lauro affair, US officials, however, were gratified that the Egyptians had requested American assistance. US fighter aircraft escorted the C-130 transport plane carrying Egyptian commandos and three senior American military officers. The role of the Navy jets was to prevent interception by the Libyan air force. But, according to Egyptian sources, Cairo wanted US involvement at least in part because it was believed that an American presence would deter the possibility of interference by Maltese forces. "We didn't want a repeat of Cyprus," said one Egyptian, referring to the 1978 firefight between Egyptian commandos and the Cypriot National Guard at Larnaca Airport.

LIBYAN COMPLICITY

Although Mubarak has been unable to offer substantial proof of Libyan involvement, US and Egyptian sources point to a strong, albeit circumstantial, body of evidence. They note that the hijackers were among the transit passengers from Tripoli who boarded the Egyptian flight in Athens. [Since transit passengers are not subject to normal security procedures, their weapons were not detected, according to US sources.] Moreover, US and diplomatic sources believe the operation was likely masterminded by Palestinian terrorist Abu Nidal who recently moved much of his operations to Libya.

Reliable sources also note that the Egypt Liberation Organization, which claimed credit for the hijacking, is believed by some to be no more than a front group for Libyan-inspired terrorist activities. Libyan officials reportedly have instructed operatives to use the organization's name when engaged in operations. Egyptian sources point to the stolen and forged Tunisian and Moroccan passports that the hijackers were carrying as a possible link to the Libyans who were known to have a stockpile of such documents. "I have no doubt that this like most terrorist acts have tracks leading to Tripoli," said one Administration insider. "But," he cautioned, "the evidence so far would not hold up in a court of law."

EGYPT VS. LIBYA

Without hard evidence of Libyan involvement and lacking domestic or Arab support for a more assertive military stance against Tripoli, Mubarak this week began to soften his verbal threats against Qaddafi and withdraw some of the Egyptian troops which had been mobilized along the border with Libya. Some US officials and diplomatic sources, while noting that Mubarak had been building a case for a possible military move, doubted that he would take strong action. "Mubarak engaged in a time-honored fan dance to divert attention away from his domestic problems," said one US official. Even Qaddafi apparently did not take the threats seriously. One State Department insider noted that Qaddafi was in Senegal during the height of the Egyptian mobilization.

Those who downplay, if not rule out, an Egyptian military strike assert that Mubarak was "sobered" by Egypt's brief border war with Libya in 1977. Although Egypt is considered more than a match for Libya, particularly with its newly acquired F-16 fighters, the Egyptian military and political leadership remain cautious. "Egypt would like to give Libya a bloody nose, but it is afraid to bruise its own knuckles," said one US analyst. Moreover, the Egyptians are known to be concerned that a limited military move may only enhance Qaddafi's popularity at home. "The Egyptians no longer operate under the illusion that an attack would spark an anti-Qaddafi uprising," said one Administration analyst. "There is growing dissent inside Libya, but compared to [pre-revolutionary] Iran it is still C-grade opposition."

Some Administration and diplomatic sources note, however, that sufficient forces for a strike remain mobilized along the border. And they believe if new evidence on the Egyptian hijacking is uncovered or if Qaddafi promotes further terrorist acts against Egypt, Mubarak may be forced to at least engage the Libyan air force.

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EXECUTIVE BRANCH

MORE FALLOUT FROM THE POLLARD CASE

Despite the unprecedented degree of cooperation being offered to US investigators in Israel, the fallout from the Pollard affair continues. Last week the Pentagon acknowledged publicly what has been privately practiced since Jonathan Pollard's arrest, ~~restrictions on intelligence sharing with Israel until a satisfactory conclusion of the investigation.~~

Also last week, warrants were served on three US companies in an effort to establish whether these firms had illegally shipped high technology military equipment to Israel. Although Israeli Ambassador Meir Rosanne was assured by Under Secretary of State Michael Armacost that only the US firms and not the Israeli government were under scrutiny, the Israelis were angered by the timing of and publicity attendant to this latest incident.

ISRAELI BLUNDERS

At the same time some Israelis acknowledged that their initial handling of the Pollard case had exacerbated tensions and allowed the matter to fester. These Israelis are particularly critical of the apparent decision taken by some officials in Jerusalem to conduct a public relations campaign in the press. That this campaign backfired in Washington is beyond dispute. Even sympathetic US officials were outraged by some of the justifications coming out of Israel. Said one State Department official, "What is particularly offensive is the suggestion that Israel learned of American transgressions through its covert operation in the US." "Only slightly less irritating," he added, "was the attitude that the only thing the Israelis did wrong was to get caught."

~~This attitude also lent credence to the arguments of some US officials that Israeli spying was no one time thing.~~ Donald Gregg, National Security Adviser to Vice President George Bush, asserted in an interview that the Israelis "have been doing things like this for years." Gregg, a 30-year veteran of the CIA, may have been reflecting the anger and frustration of a large segment of the US intelligence community. Said one State Department official, "The CIA is really upset. They feel [the Pollard affair] compromises all their dealings with the Arabs."

Arab diplomats, however, seem to take a more philosophical approach to the spy case. The Jordanians and Egyptians, who, because of their close ties to the US, stand to be most affected, profess to be undisturbed by the Pollard disclosures. "We will insist on more and better guarantees regarding the ultimate destination of our information," said one Arab diplomat. "But this business won't affect the basis of our relationship with the US." Another Arab official explained that when compared to the military, economic and political support the US gives Israel, "This kind of intelligence sharing is no big deal." This somewhat cynical attitude was perhaps best encapsulated in the remark of one Arab diplomat, "We were aware the Israelis knew everything. We just didn't know the Americans were supplying it."

Meanwhile, despite the near total news blackout on the investigation in Israel, the Survey has learned that the copies of stolen US documents have begun to arrive in Washington. However, US officials are still awaiting what one Administration insider calls, "the sexy stuff." And these officials are increasingly concerned they may never learn the full extent of the material in Israeli hands. Says one Administration official, "We have all the originals, but no way of knowing what was copied and sent on [to Israel]."

AFTERMATH OF A DOGFIGHT

The prospect of a renewed clash between Syria and Israel threatened for a time to eclipse Administration concern over the Pollard affair. Responding to the downing of two Syrian MiG-23s on Nov. 19, the Syrians moved SA-6 and SA-8 anti-aircraft missile batteries into Lebanon. The Israelis quickly sought to enlist the services of Assistant Secretary of State Richard Murphy, who was already in the region. Murphy, according to State Department sources, informed Syrian President Hafez Assad of Israel's demand for a return to the "status quo ante." Murphy also expressed US concern over the rising tensions.

According to informed sources, the Syrians withdrew their missiles within three days. But then in what Jerusalem considered a show of defiance, the Syrians placed longer range SA-2 missiles along their border with Lebanon. "The 2s inside Syria are a much greater threat than 6s and 8s in Lebanon," argued one Israeli analyst. However, the US disagreed. While Murphy was willing to relay Israeli objections about the SA2s to Damascus, he and other US Middle East experts did not second the Israeli arguments. Explained one State Department official, "As far as we are concerned the Syrians can place missiles every 10 feet inside their border. After all, it is their sovereign territory."

ISRAEL BACKS DOWN

Despite some public warnings, the Israelis appear to have backed down on the SA-2 issue. Instead, privately they expressed satisfaction over the speed with which the US was able to facilitate a Syrian missile withdrawal from Lebanon this time, contrasting it with the long drawn out and ultimately failed effort undertaken by Philip Habib in 1981-1982. Moreover, they privately admitted that the Israeli pilots may have been overly zealous in the Nov. 19 encounter with the MIG23s. Finally, they say they can live with SAM2s and will continue to fly aerial reconnaissance over Lebanon - only now a little more warily. Commented one US official, "The Israelis don't want to risk a war over the possibility that one pilot could be shot down."

Still, what concerns the Israelis and some US officials is their shared assessment that Assad is determined to exact revenge for their aircraft losses. "He wants two Israeli aircraft and is willing to take risks and losses for them," says one US official. "He was humiliated by the dogfight and needs to regain his standing in the region," argues another. Some State Department officials assert this last point cannot be overestimated. "Assad is willing to spill blood to save face," is one State Department official's lurid characterization.

However, one well-respected analyst argues that Assad and Israeli Defense Minister Yitzhak Rabin are two old adversaries who have learned to treat each other with caution. Rabin, who was in the US during the November 19 dogfight, was reportedly upset by the action correctly predicting Assad would be forced to respond.

As for the Syrian leader, Arab analysts consider him the most cautious and clever of all Arab leaders in his dealings with Israel. They argue he is slowly moving to gain strategic parity with Israel. According to their view, by moving missiles into Lebanon, Assad was "testing the waters." By placing long range SA2s inside Syrian territory, along the border, he was taking an "incremental step" towards strategic parity. "Assad will risk a confrontation only on his own terms, his own time and his own place," says one well-placed Arab analyst.

MIDDLE EAST

CONCERN MOUNTS OVER ANOTHER IRANIAN OFFENSIVE

After months of relative complacency, US and diplomatic sources are now expressing concern over Iran's preparations for yet another major ground offensive against Iraq in the southern marshlands. US officials, who anticipate a possible attack as early as February, believe that the Iranian forces, having recouped from their last offensive in March, may now pose a greater threat to the Iraqi military.

Although they suffered heavy losses during the March offensive, the Iranians have learned some important military lessons, assert US officials. As a result, they have concentrated on improving tactics, training, logistic infrastructure and communications, say these sources. And despite a comprehensive American arms embargo campaign, ("the Iranians have given up trying to get spare parts for their Phoenix missiles," said one US official), these sources report continued weapons shipments from North Korea and increased transfers from Eastern bloc countries. In addition, noted one State Department expert, "If there is foreign exchange involved, the western Europeans are sometimes inclined to look the other way."

More ominously, these sources do not see any comparable improvement in Iraq's strategy or tactics. During his recent visit to Washington, Iraqi Foreign Minister Tariq Aziz asserted that Baghdad planned to further curtail Iran's oil exporting capability. Yet the Iranians have been allowed to repair much of the damage to the Kharg Island facility inflicted by Iraq's two successful raids last summer. Of greater significance, asserts one US analyst, is the Iraqi reluctance until recently to employ its superior air power against growing troop concentrations at the expected point of attack.

US officials still consider it unlikely that Iran will be able to capture and hold Iraq's strategic north-south highway [which would isolate the southern provincial capital of Basra and alter the strategic balance]. Nevertheless, in their view, Khomeini and the regime's proponents of continued warfare could gain political capital by merely performing better than the last offensive when Iranian troops reached the highway before the Iraqis could launch a counter attack. "If they [Iranians] had sent in two more brigades and held on for another 24 hours, the [March offensive] would have been a military success," said one Administration official. "This time if they can stay on the highway for any length of time Khomeini can declare a victory," he added.

Iraqi concern over the likelihood of a new offensive and failed mediation efforts by Saudi Arabia and the Gulf Cooperation Council earlier this month may have prompted President Saddam Hussein's surprise visit to Moscow this week. "It was a powerful signal," said one Administration source who noted that Hussein had not traveled outside Iraq for three years. While press reports focused on the issue of Soviet military aid to Baghdad, a number of informed observers believe that Hussein had a larger agenda. "Iraq is already saturated with Soviet arms," said one US official. This official believes it is more likely that Hussein appealed for a cutoff of Soviet-made weapons to Iran (particularly Scud surface-to-surface missiles from Libya) or even sought a more active diplomatic role by the Soviets.

THE ABUL ABBAS ISSUE

While Saddam Hussein was mending fences in Moscow, Iraqi relations with the US took a turn for the worse when Secretary of State Shultz announced that Abul Abbas, the mastermind of the Achille Lauro hijacking, had been "welcomed" in Baghdad following his departure from Yugoslavia. [Diplomatic sources believe that Abbas attended a high-level PLO meeting there last month.] Although there are no plans at the State Department to reinstate Iraq on the US list of countries supporting terrorism, Congress

may move to do so next month. "I intend to introduce legislation if Abbas isn't out of there [Iraq] or the Administration hasn't acted," said Rep. Howard Berman (D-Calif.), who withdrew a similar proposal earlier this year after receiving assurances by Shultz that Iraq no longer aided terrorist groups. "Geopolitical considerations are undercutting our ability to establish a coherent policy on terrorism," he told the Survey. Referring to the possibility of a new round of fighting in the Gulf war, one frustrated State Department official said the Abul Abbas issue "couldn't have come at a worse time."

CONGRESS

GRAMM-RUDMAN AND FOREIGN AID

According to Congressional and Administration sources, the foreign aid program could bear the brunt of the Gramm-Rudman balanced budget legislation passed by Congress last week. Even popular aid recipients like Israel and Egypt may no longer be immune from future budget reductions, they say.

Because the new bill protects so much of the total federal budget by exempting domestic entitlement programs from the budget knife, the "unprotected" programs such as foreign assistance must take significant cuts in order to meet the Gramm-Rudman targets. In fact, estimates are that the non-defense programs where the major cuts must come total only about \$100 billion, of which \$15 billion is for foreign aid. "Before Gramm-Rudman, it could be argued that foreign aid was a miniscule part of a trillion dollar budget," said one key Senate staffer. "But now foreign aid sticks out; it is a major portion of the non-defense areas that are open to cuts."

The complex and controversial Gramm-Rudman legislation establishes mandatory yearly targets for the federal budget deficit over the next five years, gradually leading to a balanced budget in fiscal year 1991. If Congress is unable to meet these annual deficit targets, the President would automatically impose an across-the-board percentage cut in government programs - half the savings to come from defense and the other half from unprotected non-defense spending.

ISRAEL AND EGYPT

If current budget and economic estimates hold, non-defense spending, including foreign aid would be cut approximately 4 percent this year with Israel losing up to \$72 million in military aid. Egypt's economic and military assistance could be slashed by \$85 million. Next year, when \$50 billion must be trimmed from current levels of spending to reach the Gramm-Rudman targets, an across-the-board cut could reach 15 percent. Israel's total aid then would be reduced by more than \$400 million and Egypt's by some \$300 million. Since aid to both countries comprise about one third of the world-wide US foreign aid program, Congressional sources believe that new exemptions for Israel and Egypt would be difficult to achieve. Referring to what one Senate aide called the "squeezing out problem," Congressional budget experts argue that such exemptions would virtually wipe out other major foreign aid projects. "Even pro-Israel Senators would have to accept cuts for Israel," said one staffer.

Capitol Hill sources emphasize, however, that Congress can avoid these automatic cuts by voluntarily approving a budget that meets the deficit targets of the Gramm-Rudman bill. "Congress can then establish its own priorities and Israel and Egypt would fare far better," said one aide. Nevertheless, these same sources assert that for Congress to avert the President's across-the-board budget ax, it must make the politically unpopular choice during an election year of raising taxes or severely cutting domestic programs. "Regardless of the outcome, foreign aid will be a prime target during this process," predicted one Congressional analyst.

MEPS SURVEY

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EXECUTIVE BRANCH

US CONFRONTS QADDAFI

Key State Department and Pentagon officials agree that given the President's stringent conditions regarding the use of force against terrorists, military retaliation against Libya was and continues to be highly unlikely. According to these officials the President's requirements, that only the perpetrators of terrorist acts be "brought to justice" and that the risk of civilian casualties in any military operation be held to a minimum, insures that Administration opponents of military force continue to have the upper hand.

These officials also assert that if added insurance is necessary, the Joint Chiefs of Staff and particularly the Navy can be counted on to provide it. "Senior Pentagon officers are the last repository of the Vietnam syndrome," says one well-connected US official. "They are afraid that the loss of blood is the quickest way to forfeit popular support for the military." Moreover, he asserts while the Pentagon will never say "no can do," it will put insurmountable obstacles in the way of any military operation. "The most effective obstacle is to predicate successful action on additional force requirements - and then leak the resulting troop movements to the press," he says.

The Navy is singled out as a particular obstacle by some US officials because of its reluctance to employ aircraft carriers. "They have 13 eggs," said one Administration insider in an allusion to the Navy's carriers. "And they never want to allow one to go into action alone." In defense of the Navy, one US official noted that despite Israel's overwhelming success against Syrian aircraft in June 1982, many planes "limped home" to the safety of nearby ground bases. "But," he added, "one damaged plane on a US aircraft carrier could put the carrier out of commission for a long time."

LOOKING FOOLISH

Press leaks and public discussion of the possible use of force also caused consternation among Arab diplomats. "You allowed Qaddafi to be seen as standing up to the US and forcing [the US] to back down," said one Arab diplomat. In the view of another Arab diplomat, Administration sabre-rattling "gave Qaddafi the opportunity to mobilize support at home and throughout the Arab world. [As a result] the US looks foolish."

This perception was not lost on senior White House officials. At a meeting of the National Security Planning Group last Tuesday, a frustrated Chief of Staff Donald Regan charged, "We have no anti-terrorism policy." Although this accusation brought an angry response from Secretary of State Shultz ("anyone who says something like that, doesn't know anything about our anti-terrorism policy," he retorted), a number of Shultz supporters concede Regan's point. Says one State Department official, "Unlike the Israelis, we never plan in advance, no prepositioning of forces, no pre-selection of targets. We are never ready."

Additional supportive words for Israel came from some unlikely quarters. In the Pentagon, some officials, who in the past have been quick to oppose Israeli military actions, expressed the hope that Jerusalem would order a military strike against Libya. These officials assert that the Administration, despite some press reports, never "leaned on Israel" not to retaliate against Libya. State Department officials agree. "We may have been too vague," said one Department insider. "We told the Israelis not to 'upset things.' But we certainly didn't mean Qaddafi." [According to other Administration sources, what the US did intend was a warning against an Israeli strike at Syrian missiles in Lebanon - see following story.]

In any event, the Israelis weren't interested in retaliation against Libya. "First of all, we don't go tit-for-tat on every terrorist incident abroad," says one well-informed Israeli. "More important," he adds, "this time there was no easy address." This analysis is backed up by senior Israeli Defense officials in Tel Aviv. They noted that unlike in Lebanon, Israel lacks good intelligence on potential Libyan terrorist targets and compared with Tunisia, Libya's air defenses are formidable.

ECONOMIC SANCTIONS

"There is not one official who thinks these sanctions are going to accomplish anything," declared a well-placed Administration official. This official maintains that with less than \$300 million in US exports to Libya, Qaddafi would have little difficulty in replacing American-made products. Not that he will be forced to. This official also asserts that by not insisting upon restrictions against US subsidiaries (a dubious legal route in any event), the Administration has left a big loophole for those companies already operating in Libya.

The few US officials who can be found to defend the implementation of the sanctions do not argue their efficacy per se. Instead, they make two separate assertions. First, by providing a blanket prohibition, the Administration hopes it can prod the Europeans to undertake specific, if modest, actions in support. Examples cited include a cut back in European spare parts for Libyan C130 transport planes, maintenance of the Libyan national airline and provision of dual-use equipment. Second, and potentially more significant, these officials believe the embargo was a necessary pre-condition - "a clearing of the decks" - before serious contemplation of military action against Qaddafi. "We have to be seen to do all we can economically before taking military action," says one US official.

OTHER MEASURES AGAINST QADDAFI

However, a number of US officials believe that short of a major Libyan-backed terrorist attack in the US, the Administration will likely avoid a military strike next time as well. One State Department official who contrasts the ease with which the Israeli government gains public support for its retaliatory strikes notes the Israeli population is "conditioned" by ongoing war and years of successful military operations. "It's difficult to condition the US public," he says, "when only one out every 650 incidents involve Americans."

Another US official compares the current public furor over Qaddafi to the antagonism that used to be expressed about ex-Ugandan strongman Idi Amin. "People used to ask 'Why don't you get rid of Amin?' If we had moved against him, it would have set us back in Africa 10 years. The Africans got rid of Amin and the Arabs will have to get rid of Qaddafi."

In the meantime, some US officials hope that the public clamor will assist efforts to drop restraints on US covert activities, which a number of US officials as well as Arab diplomats believe are the most effective way of "neutralizing" Qaddafi. Arguing that economic sanctions and conventional military actions are too unwieldy, these US officials, in particular, wish to transform primary anti-terrorism efforts into "police work."

One suggestion being bruited about is for the formation of an international anti-terrorist police force comprised of units from 5 or 6 western countries. "Acting like a fire-brigade, its composition would correspond to the sensitivities of the countries under attack," said one leading Administration exponent of such a force.

MIDDLE EAST

SYRIA FLEXES ITS MUSCLES

For the fourth time in a month, Syria has moved its short-range SAM-6 and SAM-8 antiaircraft missiles - this time withdrawing them from Lebanese territory. While the latest redeployment has temporarily eased tensions between Damascus and Jerusalem, US and Israeli officials believe President Hafez Assad's missile moves demonstrate a willingness, if not an eagerness, to openly challenge Israel.

Israeli analysts concede that Assad has reaped major political and military benefits by moving his mobile missiles in and out of Lebanese territory. "It was a brilliant decision with minimum risks," said one official. "He [Assad] knows that Israel wants to avoid a confrontation and that the US will pressure us not to strike." Israeli military experts believe that by shuffling missiles in and out of Lebanon, Damascus has been able to test the speed with which Israel's intelligence detects Syrian military moves. More important, by having placed the missiles twice inside Lebanon without drawing an Israeli military response, the next redeployment across the Syrian border would appear less confrontational. "In a matter of weeks, Assad has created the impression that the placement of Syrian missiles in Lebanon is nothing new," said one Israeli. One State Department expert concurred, arguing that the Syrian tactics have had the immediate result of making future Israeli protests sound "shrill and ineffective."

ASSESSING SYRIAN MOTIVES

Israeli officials insist the purpose of the first missile deployment in Lebanon (along with the move of the medium-range SAM-2 missiles along the Syrian border) was to "ambush" an Israeli reconnaissance plane following the downing of two Syrian MIG-23s on Nov. 19. [Senior Israeli sources now admit that the Israeli pilots "miscalculated" when they fired on the Syrian planes. Although the Syrian flyers engaged in a more threatening military pattern than usual and had "locked" their radar on the Israeli planes, Damascus had not given orders to shoot.] While these officials credit the US with helping to facilitate the missile withdrawal from Lebanon 3 days later, they also argue that Israeli detection of the missile sites had removed the element of surprise. "Once we detected the missiles, they no longer served their original purpose," said one Israeli official.

A number of informed diplomatic sources believe that Syria then moved the SAMs back into Lebanon late last month, following the flurry of press reports on the initial withdrawal. "Assad was embarrassed by the publicity and by the notion that he had backed down under US pressure," said one informed observer.

Although one US analyst interprets the Syrian tactics as merely harassment ("nickle and diming the Israelis," he said), some US officials as well as Israeli sources believe that Assad may have begun to pursue a more ambitious agenda. The Syrian president, they assert, has embarked on a campaign to establish Syrian hegemony throughout Lebanon. Arguing that the Nov. 19 incident merely provided Assad with an opportunity to alter the "status quo," one State Department expert asserted that the ultimate Syrian goal is the removal of Israeli presence and influence in southern Lebanon.

Moreover, having brokered an agreement in Damascus on Dec. 28 between rival Lebanese militias, Israeli officials believe that Assad can now redirect his effects against Israel and its ally, the South Lebanon Army (SLA). "In the Lebanese context, the best

way to maintain control in the north is to create disorder in the south," said one Israeli official. "Assad will use Israel and the SLA to galvanize the militias." One State Department source noted that the new Lebanon pact calls for active resistance against Israel while placing no restrictions on the Syrian presence in Lebanon.

THE JORDANIAN FACTOR

If the missile crisis served to demonstrate Syrian power as Lebanese militia leaders were meeting in Damascus, US and diplomatic sources believe that the same message was not lost on Jordan's King Hussein who last week traveled to Syria for the first time in 6 years. However, sources close to Israeli Prime Minister Shimon Peres, who consider a breakthrough in the peace process as the best hope of maintaining his premiership beyond September, chose to put the most optimistic "spin" on the meeting between Assad and the King. They note that no joint communique was issued, possibly signifying major areas of disagreement. In addition, these sources share the view of some State Department officials, including Assistant Secretary Richard Murphy, who have argued that Jordan's Prime Minister Zaid Rifai had made unilateral concessions not approved by the King, during his reconciliation talks with Syria last fall (Survey, Nov. 22, 1985).

One well-placed Israeli source admitted, however, that this relatively upbeat assessment is not widely shared by officials in Jerusalem. Given Yassir Arafat's refusal to endorse UN Resolution 242, these officials consider Hussein's move toward Damascus as a sign that the King is "looking for cover" rather than reviving his stalled peace initiative.

In an effort to reverse what they call Jordan's "sense of vulnerability," State and Defense Department officials plan to press for a major Administration campaign on behalf of the Jordanian arms package which Congress will again debate next month. However, they concede that the political decision to wage a battle will be made by senior White House officials who are more sensitive to the President's "larger foreign and domestic policy agenda." Congressional sources contend that the Administration faces almost insurmountable odds on Capitol Hill where the number of supporters for the arms sales has fallen below the "double digit figure."

ISRAELI RESPONSE

Israeli officials are, for the moment, adopting a "wait and see" attitude toward the Syrians. "We have time," Israeli Defense Minister Yitzhak Rabin told the Survey. Rabin was confident of Israel's ability to destroy SAM-6 and -8 missiles inside Lebanon as well as the more threatening SAM-2 installations that remain along the Syrian border with Lebanon. Some senior Israeli officials, however, express concern over the possibility of an escalation that would lead Syria to fire its long-range SAM-5 missiles which could reach Israeli aircraft as far away as Tel Aviv. A decision to use the SAM-5s, in the view of US and Israeli sources, would trigger a major confrontation. "We have to consider the end result of escalation," Rabin said. One well-placed US source predicted that Israel would not "jump" the SAMs either in Lebanon or Syria, but added, "The moment they are fired, they are gone."

According to reliable US sources, the Israelis are continuing their reconnaissance missions over Lebanon, but are flying out of missile range. While the planes still retrieve considerable information, the new flight patterns have reportedly affected so-called "slant" photographs which can detect small rocket emplacements in southern Lebanon. US officials have traditionally accepted the need for unrestricted Israeli reconnaissance since the information gleaned from such missions reduces the possibility of Israeli miscalculations (the right of overflights had been included in the 1981 cease-fire and the 1984 Lebanese-Israeli accords).

While Israeli officials are uniformly cautious about confronting the Syrians at this time, they also insist there are limits to Israel's tolerance. Pointing to the real possibility of further military challenges by Syria, one senior Israeli military official said, "Eventually, Assad may have to be taught a lesson."

EXECUTIVE BRANCH

This week Administration officials expressed frustration and concern over the relevancy of the US role in what one State Department official characterized as a "potpourri" of Middle East issues. "From the PDRY (South Yemen) through the Levant to North Africa, we are trying to figure out what we can do," said one State Department insider. But he concluded, "It's not very much."

Last week's boarding of a US merchant ship in the Persian Gulf by an Iranian naval patrol typified the US problem, argued one official. "We decided to pretend nothing happened and it won't happen again," he said. But this official notes if anything, the US position is deteriorating as the Saratoga aircraft carrier group has been redeployed from outside the Gulf to the Mediterranean in order to reinforce the US military there.

THE NUMBER ONE PROBLEM - LIBYA

The decisions to supplement the US naval presence in the Mediterranean and to begin flight operations north of Libya were designed to impress Libyan strongman Muammar Qaddafi. And some Administration officials believe it has done just that. "We've got Qaddafi's attention and he's worried," says one State Department insider. "He's got to wonder when the other shoe is going to drop." Another well-placed US official agrees - in part. "We have Qaddafi worried," says this official. But he questions whether the Libyan leader really should be alarmed.

Deputy Secretary of State John Whitehead's tour of European capitals in search of support for US sanctions brought, at best, mixed results. "It's not what we had hoped for, but what we expected," said one Administration official. This official noted that Whitehead received European promises not to take advantage of economic opportunities created by the departure of American companies from Libya; that he had found the Austrians and Italians willing to exercise greater control over Arab passport holders; and most important, Whitehead was able to insure that the NATO Alliance would not "split" over the US actions against Libya.

In addition, US officials say that Whitehead was able to present convincing evidence of Libyan complicity in the Rome and Vienna airport attacks. This evidence, they assert, proves Libyan funding, training and provision of passports for the terrorists.

But other US officials were not so sanguine about the efficacy of Administration efforts. They cite, for example, the dilemma US companies are facing in their attempts to withdraw operations from Libya. On the one hand, the American companies don't want to turn over their assets to Libya, but on the other, they aren't supposed to allow the Europeans to take advantage of their departure by selling out to them. One State Department official predicts that eventually US companies will transfer their assets to their own European subsidiaries. "Makes a mockery of our sanctions, doesn't it," he says. In addition, US officials note very little response to the President's order for

Americans living in Libya to come home. "They're still in the oilfields," says one State Department official.

While some US officials believe the Europeans are taking the first tentative steps towards cooperation against Libya, even these optimists acknowledge there is still a long way to go. One Administration expert argues that if the Europeans signal Qaddafi that he has "crossed the threshold" then the mercurial Libyan leader, based on past experience (in Uganda and Chad) may step back. But this official warns if they do not "get tough," Qaddafi will likely step up his backing for international terrorism.

JORDAN AND ISRAEL

The other major Administration Middle East effort involved the putative Jordanian-Israeli peace process. Assistant Secretary of State Richard Murphy was dispatched for some shuttle diplomacy in Europe between Israeli Prime Minister Shimon Peres and Jordan's King Hussein. Although Murphy's exercise will not end until the weekend, a number of well-connected US officials are already downplaying it. "We are only trying to demonstrate US interest," said one official. Another more caustically asserts, "The Secretary [Shultz] is not interested in the peace process. He sends Murphy because he can show enthusiasm."

Still, State Department officials are not prepared to write off the effort entirely. Some analysts have revised their view of Hussein's meeting with Syrian President Hafez Assad and now conclude it did little lasting damage to the peace process. They believe Hussein has improved his bilateral relations with Syria without ceding his freedom to maneuver on the Palestinian issue. One analyst goes further and argues that Hussein's main objective in meeting Assad was to demonstrate to fundamentalists in Jordan the lengths to which he was willing to go in order to maintain stability in his kingdom. That being done, this analyst says, Hussein can await a visit from PLO Chief Yassir Arafat and further moves from Peres.

A LONG WAIT FOR ARMS

One major item the King may have a long wait for is the arms package long promised by the Reagan Administration, but widely opposed on Capitol Hill. Administration strategists now believe there are only three unpalatable options left as Congress begins debate next month. First, they can confront Congressional opponents and, in the words of one Administration head-counter, "face suicide." Second, they could withdraw the package indefinitely. Third, Secretary Shultz could try to conclude a new bargain with the Senate Republican leadership gaining another 3-month extension in exchange for a promise that the sale will be "dead" unless Congress agrees to it (a reversal of the present arrangement).

Although the Administration is united in its view that the Jordanian sale is desirable, only Secretary of Defense Weinberger at this point is arguing it is better to lose than not fight at all. [Although to the surprise of a number of officials, the President has continued to reiterate his support for the sale and is expected to do so again in his State of the Union address on Tuesday.] But, most key Administration officials would rather, in the words of one insider, "go for the art of the possible." Moreover, there is a growing concern that continued preoccupation with the Jordanian sale will adversely affect other priorities.

Already, the Administration has been forced to delay the announcement of a \$1.1 billion arms package to Saudi Arabia. This once "non-controversial" sale ("a consolation prize for the Saudis after we turned down their request for more F-15s in favor of fighting for the Jordanian package," explained one State Department official) has been shunted aside on orders from the White House. According to informed sources, it will not be proposed until after a resolution of the Jordanian sale and then, in the words of one Administration insider, "Only in drips and drabs." [The Saudi package reportedly includes

air-to-air, ground-to-air and anti-ship missiles, "upgrades" for existing American-made Saudi aircraft, as well as new helicopters.] "We've done everything to encourage opposition," complains one State Department official. "It's almost a plan to insure 'mine enemy grows stronger.'"

MIDDLE EAST

SYRIA MISCALCULATES IN LEBANON

"It was Assad's turn to trip in Lebanon," is the way one US official described the collapse of last month's Syrian-brokered peace agreement between the rival Lebanese militias. Well-placed US and diplomatic analysts believe the Syrians overestimated the power of Eli Hobeika, the commander of the Christian Lebanese Forces who signed the Dec. 28 accord in Damascus along with Druze and Shiite leaders. "Syria thought Hobeika was a brutal warlord who struck fear in the heart of the Christian community," said one Administration official.

At the same time, these analysts assert that Damascus had underestimated the strength of Lebanese President Amin Gemayel as well as Samir Geagea, Hobeika's own chief of staff. By forming an alliance against the peace pact, Gemayel and Geagea quickly crushed Hobeika's loyalists and forced him into exile. US officials believe Gemayel's bold move in defying Damascus was based in part on his abhorrence of a peace pact which mandates greater power-sharing to the Moslems, restricts the powers of the Christian Maronite president and grants Syria a free hand in Lebanese affairs ("The Poles enjoy more freedom than the Lebanese are given under this agreement," quipped one well-placed State Department source").

These officials argue, however, that the Lebanese president also saw an opportunity to regain his standing in the Christian community by defeating Hobeika. Moreover, the Syrians, in their view, contributed to Christian resistance by their "take it or leave it" approach to Gemayel when he visited Damascus last week seeking revisions in the peace agreement. "They treated Amin like a bellboy," said one US official. Syrian Vice President Abdul Halim Khaddam, who had engineered the accord, was, according to one State Department insider, "more insulting than usual."

SYRIAN REACTION

While Gemayel and Geagea may have temporarily boosted their fortunes, Administration and diplomatic sources flatly predict that Syria and its Lebanese allies will eventually regain the upper hand. "Syria is not Israel or the United States," said one analyst. "Gemayel has got a tiger by the tail." These sources believe that for the next several weeks, Syria will be content with merely "turning the heat" on Gemayel by intimidation through its Lebanese proxies. ["This week's car bomb in East Beirut has Syria written all over it," said one informed observer.] A weakened Gemayel, the Syrians hope, will soon return to Damascus seeking what one US official called "revisions to his revisions" in the peace pact. However, one Israeli analyst points out that should Gemayel accede to Syrian demands, he risks reigniting an intra-Christian conflict, with Geagea a potentially more formidable foe than was Hobeika.

Should Gemayel and the political leadership of the Christian community continue to oppose Syrian wishes, they also risk direct military intervention by Damascus. "Gemayel is threading a needle," said one well-placed US source, who for the first time foresees the real possibility that Assad will decide to use his own forces "to bring the civil war directly to the Christian heartland." One Israeli analyst concurred, "Syria will have to go in because Assad can't afford to see this agreement fail."

In addition to the "blood bath" that would result from a Syrian offensive, US officials also worry about miscalculations on the Israeli-Syrian front. While these offi-

cials rule out direct Israeli intervention on the side of the Christians, they fear Assad may return his surface-to-air missiles to Lebanon as a deterrent. Israel, in turn, could "take advantage of the chaos in the north" by striking at the SAM sites.

US officials express concern that tensions on the ground may also increase if the UN peacekeeping mandate is not extended in April. That concern was heightened last month when Congress reduced the US contribution to UNIFIL by \$18 million. Although these officials do not dismiss Israeli complaints about the UNIFIL force, they still view it as a useful "buffer." "UNIFIL wasn't much, but it's better than nothing," said one State Department official who blames the Israelis for encouraging the Congressional cut.

SOVIET SETBACKS IN SOUTH YEMEN

Syrian miscalculations in Lebanon last week were only surpassed by Soviet mistakes in South Yemen, in the view of a number of well-placed US officials. At a minimum, they believe that the perception of a Soviet role in the civil war will damage Moscow's recent efforts to expand its relationships with conservative Gulf states. "Even if it is not true, the Gulf states will assume the Soviets were involved," said one US source.

US and diplomatic sources readily admit they haven't a clue about which Marxist faction has gained the upper hand in the fierce fighting that has spread from the capitol of Aden to the rural tribal regions. The struggle has pitted forces loyal to the "pragmatic" President Ali Nasser Mohammed against the more hard-line pro-Soviet rebels. The army is reportedly leaning toward the rebels with the militias and the navy supporting the president. The Yemeni tribes are seen as evenly divided.

A number of US officials and diplomatic sources contend that Moscow had benefited from Ali Nasser's efforts to improve relations with other nations of the Arabian Peninsula and therefore had no reason to encourage the coup attempt. Ali Nasser had stopped his predecessor's support for insurgency groups in North Yemen and Oman, and sought closer economic ties with Saudi Arabia and Kuwait. His less belligerent foreign policy was seen as a contributing factor in the Omani decision last fall to establish diplomatic ties with Moscow.

Other US officials argue, however, that while Ali Nasser was firmly in the Soviet camp, there were strains in the relationship. The Soviets were reportedly growing suspicious of the president's "independent" foreign policy while Aden had complained about the level of Soviet economic support. Noting the major Soviet presence in Aden, one Administration source maintained that Moscow was at least aware of the coup attempt and failed to alert Ali Nasser. "It is also possible," he added, "that the Soviets sought a repeat of the Kabul [Afghanistan] affair, but this time it backfired."

PROGNOSIS

Informed US and diplomatic analysts agree that the Soviets, not wanting to back a loser, now face a "no win" situation. "If they continue to sit on the fence and Ali Nasser wins, then he will be more wary of future Soviet support," said one analyst. "On the other hand, if they sit on the fence and the rebels come to power, then it will be seen as confirmation that Moscow orchestrated or at least favored the coup." Moreover, according to Arab diplomatic sources, a protracted conflict in the capital may increase the possibility that the rural tribes, who are not committed to Marxist ideology, will gain strength.

Should the rebels prevail, Arab diplomats express concern that the new regime could activate insurgent movements against North Yemen and Oman. US officials are less concerned over threats to Oman which has a first-class British-led military establishment. "However, North Yemen is an unmade bed," says one analyst. US officials concur. "Sana has close relations with China, but employs 100 Taiwanese paid for by the Saudis to service American-supplied F-5s [aircraft]," said one Administration official. "And it may be the only country where Soviet and American advisers operate at the same military base."

MES SURVEY

Middle East Policy Survey *a bi-weekly report on Washington and the Middle East*

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EXECUTIVE BRANCH

MOVING ON LIBYA

This week the Administration continued to debate ways and means of bringing additional economic and military pressure to bear on the regime of Libyan strongman Muammar Qaddafi. By week's end, a decision was expected on final implementation of economic sanctions. Next week, elements of the US Sixth Fleet will again conduct exercises near the Gulf of Sidra off the Libyan coast.

ECONOMIC SANCTIONS

According to well-placed Administration sources, fifteen of the one hundred or so US companies operating in Libya - including all the major oil companies - have asked for sanction exemptions. The betting among a number of Administration insiders is that the oil companies in particular will be given additional time to divest themselves of their Libyan-based assets. Recognizing the Administration doesn't want to give Qaddafi an opportunity to seize abandoned assets, these sources assert the oil companies won't lose. In the words of one Administration insider, "They will launder their money somehow."

On another economic front, US officials, however, could claim some success. The Survey has learned that the West German and Italian governments have pledged to begin cutting back on purchases of Libyan oil. Administration officials are particularly pleased with the Italian decision, recognizing the difficulties outstanding Libyan debts as well as complex barter arrangements posed for the Craxi government. These officials assert that the German and Italian moves will hurt Libya by forcing Tripoli to further lower oil production or prices.

MILITARY MOVES

Although some US officials argue that the decision to again conduct naval maneuvers near the Gulf of Sidra is part of a developing policy of "gradualism," others see it as a victory for hardliners in the Administration. "The attacks at Athens and Vienna allowed those who were after Qaddafi for years to steamroll the opposition," argues one Administration insider. "Quickly they rolled over years of objections by [Under Secretary of State for Economic Affairs] Alan Wallace and the E. B. [Economic Bureau] boys. Going to war, however, you must have the Pentagon and Caspar Weinberger is a pretty big obstacle," he adds.

But this official and other observers believe Weinberger and the Pentagon are on the defensive in their opposition to possible military moves against Libya. While the Pentagon was able to prevail in arguments against allowing US forces to cross into the disputed waters of the Gulf of Sidra during the last set of maneuvers, these analysts believe the Pentagon may not win this time around.

However, US officials caution that US military activity in the Gulf would not necessarily produce a confrontation. One well-connected insider believes that while

Qaddafi "wouldn't mind losing a few planes, he can't be sure a military confrontation with the US could be contained." Another US official says the chances of a US-Libyan fight are only 4 in 10 [up from 1 in 10 since the airport attacks, in his estimation.]

European observers believe the chances of conflict are much greater. To some, it is already a foregone conclusion. "It is no longer a question of 'if' but 'when and how,'" says one well-informed European diplomat. Although some US officials insist that further European cooperation against Qaddafi would reduce the likelihood of armed confrontation, the Europeans remain unconvinced. "It is an American issue whatever we think or do," argues one European diplomat.

This diplomat also believes that the Administration has perhaps unfairly singled out Qaddafi to prove a point in its campaign against terrorism. This view, while not widely held within the Administration, is nevertheless accepted in some surprising quarters. One Administration hardliner acknowledges that Iran is a more suitable "candidate" for anti-terrorism action. ["The Iranians are responsible for many more American deaths," he says.] But this official candidly admits Libya, unlike Iran, is "geographically isolated, militarily weak and politically adrift."

Other US officials condemn Administration sabre-rattling against Libya on practical grounds. Says one State Department official, "The CIA tells us Qaddafi is a borderline psychopath. Then why are we trying to moderate his behavior?" This official also asserts that the "element of surprise" has been lost and Qaddafi is better prepared to confront the US.

However, US officials respond that during these exercises American moves will not be publicized and that after three weeks on full-alert, the Libyans are "worn down." These officials also dismiss the arguments of some who wish to see the Administration adopt a "wait and see" attitude towards Qaddafi. A number of messages have been forwarded to Washington from Qaddafi indicating his desire to lessen the tensions between Libya and the US. But senior US officials dismiss these efforts. "Not even the Europeans believe Qaddafi," says one State Department official.

ENTER ISRAEL

State Department officials believe the Administration's hardline stance against terrorism in general and Libya in particular, in effect, gave Israel the green light to undertake its botched attempt at nabbing some international fugitives. "It's curious," said one State Department insider this week. "The Israelis are always telling us, 'You're not handling Qaddafi the right way. You have adopted too high a profile.' Now they do something stupid like this."

"Stupid" is one of the milder adjectives Israelis themselves were using this week to describe the episode. "You don't attempt an air intercept unless you are 100% sure of success," complained one well-connected Israeli. Instead of bagging some leading Palestinian terrorists (none of whom are high on the US "most wanted list") the Israelis got, in the words of one State Department insider, "a bunch of political hacks."

Moreover, in the view of sympathetic Administration officials, Israel may have set a dangerous precedent. "They may have made the entire Mediterranean unsafe," commented one State Department official. "Now what are they going to do, fly fighter escorts for EL AL?"

Still US anti-terrorism policy and previous American actions (notably the air interception of the Achille Lauro hijackers) made it impossible for Secretary Shultz to approve harsh language against the Israeli action (reportedly recommended by the Near East affairs bureau). But Shultz and his aides were angry, "It's one thing to intercept a plane with hijackers fresh from a mission on board," said one official. "It's another to go roaming the skies looking for bad guys."

MIDDLE EAST

HAS TIME RUN OUT?

"There are only a few weeks left," said one State Department official in describing the prospects for an Arab-Israeli peace process. "That is our 'optimistic-realistic' assessment," he added. "If something doesn't happen by then, I'm afraid it has run its course."

Even those most enthusiastic about recent Administration efforts to breathe life into the stalled process are growing more doubtful. "We haven't made as much progress as we had hoped to," Assistant Secretary of State Richard Murphy told colleagues following his shuttle mission in Europe between Israeli Prime Minister Shimon Peres and Jordan's King Hussein. According to reliable sources, Murphy embarked on last month's trip with high expectations, in part because he believed with Peres due to hand over power to Foreign Minister Yitzhak Shamir in the fall, both Hussein and Peres were anxious for movement.

THE OBSTACLES

In order to achieve some tangible progress, Murphy reportedly tried unsuccessfully to "capsulize" the process by promoting a small working group comprised of Israelis, Jordanians and Palestinians to talk about how the parties would proceed to negotiations. "Discussion for the sake of discussion," is how one US official described this proposal first raised by Peres last year. Palestinian representation soon became a major sticking point.

Moreover, American officials say there was only a "narrowing of differences" between Washington and Amman over the crucial role of an international conference. The Administration still insists that the conference serve primarily as a facilitator for direct Arab-Israel negotiations. Hussein, on the other hand, reportedly supported the Syrian position that areas of disagreement between the negotiators must be referred to the "plenary" for resolution.

The major setback to Administration hopes, however, came last week in Amman where the elusive Yassir Arafat finally gave his answer to Hussein's call for an outright PLO acceptance of UN Security Council Resolution 242. Arafat's counter demand, for US recognition of Palestinian "self-determination" and a seat at the conference table, may have, in the words of one US official, "put the last nail in the peace process coffin." "Self-determination is a non-starter for Hussein," he said. "And for Peres, 242 with self-determination is not 242." Another Administration source concurred, "It's back to long-range planning," he said.

Some US officials view Arafat's extended stay in Amman this week as a positive sign. "He's not under house arrest. But you can bet there is a lot of tough talk," quipped one State Department insider. Nevertheless, a number of American and diplomatic sources are doubtful Hussein can wring new concessions, since Arafat's position reflects the overwhelming view of his Executive Committee whose members favor establishment of an independent state before considering confederation with Jordan. "They believe Arafat went too far last year," said one Arab diplomat referring to the Feb. 11 Hussein-Arafat accord.

HUSSEIN'S OPTIONS

Absent an agreement with Arafat, US and diplomatic sources believe that there are few alternatives left for Hussein. They predict the King will schedule a second meeting with Syrian President Hafez Assad who is expected to again press for Arafat's ouster as head of the PLO (a possible replacement reportedly is the PLO's "foreign minister")

Farouk Khaddoumi) and the inclusion of Damascus-based Palestinians at an international conference. US and diplomatic sources believe that Hussein is under no illusion that playing the Syrian card will advance his diplomatic initiative. Instead, they believe he views the relationship merely as a way to "protect his flank." "Hussein will move with Arafat or wash his hands of the peace process," predicted one Arab diplomat. "The Syrians," he added, "are not interested in promoting the process, but rather controlling it and slowing it down."

US officials argue that the chances, remote as they were, for an independent move by Hussein with West Bank Palestinians were all but eliminated when the Administration last week was forced to suspend its arms package proposal for Jordan. "We can't expect Hussein to take any bold steps without the arms," said one State Department official. "The Jordanians no longer view us as an active player who will provide him with a safety net."

PERES' FUTURE

Without an imminent breakthrough in the peace process, US and Israeli officials flatly predict that Peres will transfer the premiership to Shamir this autumn. A number of well-placed US and Israeli sources believe, however, that Peres will try to position himself to regain the post before Shamir's two-year term expires. "I wouldn't write Peres' epitaph yet," said one Israeli analyst. One scenario has Peres distancing himself from a Likud-led coalition government by relinquishing his Foreign Ministry portfolio to a Labor colleague such as Ezer Weizman, former president Yitzhak Navon or Abba Eban. Peres could then precipitate new elections if Shamir falters on economic issues or spurns a viable peace initiative by Hussein.

Ironically, Ariel Sharon is now viewed by some Israeli sources as Peres' best hope for maintaining his premiership. Should Sharon challenge and unseat Shamir as leader of Likud at the upcoming party conference, Peres would be under no obligation to abide by the rotation agreement. "Don't forget, the agreement is between Peres and Shamir and not between Labor and Likud," said one Israeli.

THE EGYPTIAN CONNECTION

While Peres has enjoyed a recent surge in public opinion polls, Israeli supporters of the prime minister are bitter over Egypt's unwillingness to accept some of the Israeli conditions for submitting the Taba border dispute to international arbitration. "The Egyptian attitude impinges on the broader peace process and on Peres' standing," said one Israeli. "The mood in Israel is turning ugly." The Israeli Cabinet last month, in a 14-point resolution, ~~agreed to the long-standing Egyptian demand for binding arbitration,~~ provided, Cairo, among other things, agreed to return its ambassador, normalize relations, prevent hostile propaganda and submit a report to Israel on the murders at Ras Burka (where an Egyptian policeman killed seven Israeli tourists last October).

Egyptian sources claim the Cabinet resolution is "overburdened" with extraneous issues. "Are we negotiating a new peace treaty?" asked one Egyptian. "The Israelis thought that if they accepted the principle of arbitration for Taba we would agree to all their demands." While Egypt proposed further negotiations (an Israeli team arrived in Cairo this week), Egyptian President Hosni Mubarak refused a personal appeal by Minister Without Portfolio Ezer Weizman for a summit meeting with Peres to reconcile the differences. "Weizman came back with egg on his face," said one Israeli.

A number of Israeli sources believe that Egypt's reluctance to improve relations with Israel is yet another indication of Mubarak's weakness. "He is trying to fashion a middle ground between Nasser and Sadat on everything from peace to economic issues," said one analyst. Senior US officials are also frustrated with Egypt's "cold peace" policy since they have viewed the relationship as a "cornerstone" to future moves in the peace process.

THE MIDDLE EAST PEACE PROCESS AND THE UNITED STATES

Address by Assistant Secretary of State Richard W. Murphy
Before National Executive Council of the
American Jewish Committee, Miami, Florida

November 9, 1985

Mr. Friedman, members of the National Executive Council
of the American Jewish Committee, ladies and gentlemen,

I welcome the opportunity to discuss with you tonight the search for peace in the Middle East, to review events of the past year which offer new prospects for movement in this process, and to discuss obstacles that remain. I will also address the question so often asked: Why is the United States so actively involved in seeking a solution to the Arab-Israeli dispute and the Palestinian issue since there is neither a crisis in the region nor any agreement on even the outlines of a possible settlement?

The Middle East peace process has ebbed and flowed. It gained great momentum in the late 1970's and produced the first great step toward Arab-Israeli accommodation -- the Egypt-Israel peace treaty and the Camp David Accords.

But the bright promise of a broader peace and a solution of the Palestinian issue which we hoped would flow from Camp David was denied. It gave way instead to retrenchment, stagnation, and the tragic war in Lebanon. But this year

there is new momentum toward peace. Israel and Jordan have again begun to search for ways to break the stalemate.

In Israel, the Unity Government has withdrawn Israeli troops from Lebanon and launched a program of economic reform, its first two priorities. Now Israel's leaders are wrestling again with the controversial questions of peace with the Arabs and the future of the 1.4 million Palestinians who live under Israeli occupation. Prime Minister Peres has made clear his desire to lead Israel into direct negotiations with Jordan based on U.N. Security Council Resolutions 242 and 338 in search of lasting peace and a just solution to the Palestinian problem.

Jordan's King Hussein, recognizing the futility of confrontation and concerned about the stability of the region and the unfulfilled aspirations of the Palestinians, has boldly called for peace with Israel and a solution to the Palestinian issue. In statements which break new ground in the Arab world, Hussein has called for negotiations with Israel "promptly and directly"... "in an environment free of belligerent and hostile acts". The King's initiative is all the more remarkable, since he is ready to engage in a negotiating process with no guaranteed outcome, whereas for years, Arab states have refused to consider negotiations with Israel, without assurances of the final result.

Prime Minister Peres has responded to the King's initiative by acknowledging Hussein's sincerity and his genuine desire for peace. And the King has replied by calling Peres a man of vision. Such expressions of mutual respect by an Israeli Prime Minister and an Arab leader both constitute a remarkable public dialogue and symbolize a new atmosphere of hope and compromise. Jordan has taken a further step in signalling its commitment to peace with Israel by restoring diplomatic relations with Egypt. By breaking with the rejectionists who have sought to isolate Egypt for making peace with Israel, Jordan associates itself with Egypt's courageous decision to lead the way toward a broader peace in the region.

President Mubarak shares Hussein's and Peres' concerns for future stability in the region. He too has supported renewed momentum in the peace process and has played a constructive role in support of practical steps toward direct negotiations. Although there have been strains in the Egypt-Israel relationship, both states are committed to their peace treaty. In the Egyptian approach to the peace process there is a healthy element of self-interest, since Egypt seeks a broadening of the peace process to vindicate its historic choice for peace with Israel.

The willingness of Jordan, Israel and Egypt to renew the search for a broader peace has been mirrored by a similar movement within the Palestinian community in support of peace and accommodation with Israel.

These are important changes in the political landscape of the Middle East. The desire of King Hussein to engage in negotiations with Israel, his focus on the process, rather than the outcome, the positive response from Israel, and the support of Egypt and moderate Palestinian elements offer new hope that a solution can be found. That is why we have called this the year of opportunity.

Although the climate for peace has improved markedly, some major obstacles still stand in the way of direct negotiations. The toughest of all is the question of who shall represent the Palestinians in negotiations. Both Israel and Jordan agree that Palestinians must participate in the process that will address their legitimate rights as a people as well as the security of Israel and Jordan. Both states also acknowledge that the Palestinians who take part must be respected, credible representatives of their community, since they will be called on to make compromises that must be part of any realistic settlement

Thus far, there is no agreement on who those Palestinians should be. The PLO demands the exclusive right to represent the Palestinians, and King Hussein has associated Jordan with the PLO in his February 11 peace initiative. Many Palestinians who support the PLO are prepared to accept the terms which Israel, Jordan and the United States believe should be the basis for negotiations: acceptance of the

existence of Israel and UN Security Council Resolutions 242 and 338. But the PLO, as an organization, has yet to transcend its deep internal divisions and to meet these conditions, clearly and unequivocally. Nor has it been willing to forswear all violence as a means of achieving its ends. Recently constituent elements of the PLO have been involved in new acts of terror and assassination, including the murder of three Israelis in Cyprus, the hijacking of the Achille Lauro and the killing of Leon Klinghoffer.

Recently, PLO chairman Arafat made a qualified statement concerning an end to violence. The meaning and effect of this limited undertaking will have to be judged by the situation on the ground. But it must be understood that all violence everywhere in connection with the Middle East conflict obstructs the goal of direct negotiations for peace and must be eradicated.

King Hussein has joined Prime Minister Peres in deploring these and other acts of terror and violence as harmful to the peace process. He has also worked hard and successfully to prevent the use of Jordanian soil for terrorist attacks against Israel and the West Bank. Israel believes that the PLO is disqualified for a role in the peace process because of its failure to renounce all violence and to recognize Israel. Hussein, however, continues to believe that the PLO must be involved, as the only organization with broad-based

support throughout the Palestinian community. He believes that the PLO has the capacity to transform itself, if given the opportunity.

The view of the United States toward the Palestinian representation issue is that Palestinians of goodwill who seek peace and accommodation with Israel and who command respect in their community should come forward to play this role. We also believe that those who continue to practice violence and terror count themselves out of the process. But the ultimate decision on which Palestinians are acceptable must be agreed by the Palestinians, Jordanians and Israelis, among themselves.

The Administration's policy toward U.S. recognition of the PLO is another issue. We have said clearly and consistently that the PLO must first accept Resolutions 242 and 338 and recognize Israel's right to exist before we will engage it in a dialogue. But the relationship between the U.S. and the PLO is not a central issue in the peace process. The Palestinians must negotiate with Israel, together with Jordan, not with the United States. They must therefore produce representatives who have demonstrated their willingness to seek peace with Israel. The PLO, as an organization, has not yet met this challenge, which was put to it a year ago by King Hussein.

Another question that must be resolved in the search for peace is how to structure some kind of international support for direct negotiations. King Hussein, whose peace initiative faces harsh opposition from Syria and other rejectionists, has called for an international conference to provide an umbrella he needs for entering into negotiations with Israel. We understand the King's need, and have agreed to explore with Israel and Jordan some means of international auspices for this process. Prime Minister Peres has also responded positively to the King's desire by offering to consider some international mechanism acceptable to all the parties to support direct talks. The sticking point has been the role of the Soviet Union. Our view and Israel's is that the USSR, by its failure to restore diplomatic relations with Israel and its negative policies, has failed to demonstrate that it would play a constructive role in the peace process. Another question is the role of Syria, which has shown no interest, to date in joining the peace process.

Where are we now in our efforts to surmount these hurdles and move on to direct negotiations, which the United States, Israel and Jordan all desire? What has been the impact of recent acts of terrorism on our efforts? It is true that the Achille Lauro hijacking diverted our attention, temporarily from the peace process. Indeed, it is the aim of the terrorists whose goal is to intimidate all those who seek compromise. Thus, both Israel and Jordan have been

victimimized by increasing terrorist acts in recent months. We are determined however, not to allow terrorism to halt our efforts for peace, and Israel and Jordan share our determination.

In their recent visits to Washington, King Hussein and Prime Minister Peres urged that we do everything possible to sustain the positive momentum of recent months. And both leaders expressed their urgent desire for this in their eloquent statements at the United Nations. We are maintaining our close dialogue with Israel and Jordan and continuing to search for ways to resolve the issues of Palestinian representation and international auspices.

Some critics of U. S. policy have argued that we have underestimated the difficulty of these obstacles. They claim that in our search for a process of negotiations, we have underestimated profound substantive differences which still divide the parties and the absence of any consensus within Israel, as well as among the Palestinians and among the Arabs, on an acceptable solution. According to this view, the parties have shown they can at least cope with the status quo, although it is unsatisfactory, and that it is a mistake to try to change it for some uncertain alternative. In short, they argue, in the absence of a serious crisis, leave well enough alone.

But the status quo is not stable. The Middle East is a dynamic region in which the forces of pragmatism and compromise contend with extremism, confrontation and religious fundamentalism. The Arab-Israeli conflict provides a volatile focus for these conflicting forces within Israel, among the Palestinians and in the Arab world. These tensions are serious. The history of other conflicts proves that they will not evaporate under benign neglect. And unless the elements who support moderation and compromise are actively supported and encouraged, the future is likely to bring greater strife and danger for all.

The costs of inaction are high for Israel, whose future security and well being can be assured in the long run only if peace is achieved and the Palestinian dilemma is resolved. The human and material cost which years of conflict have imposed on Israel has been immense. It is a great tragedy of the modern era that a nation which was born as a symbol of the highest values of peace and redemption, not only for the Jewish people, but for mankind, has been deprived of the right to realize this dream. The threat of yet another war, the uncertainty and tension of the current uneasy conflict, and the strain imposed by control of a large, resentful Palestinian populace in West Bank and Gaza are a great burden to Israel's social and democratic fabric. That is why Prime Minister Peres and many other Israelis have

expressed the urgent need for a just solution to the Palestinian dilemma and peace with all its Arab neighbors to insure Israel's security.

The need for peace and accommodation is no less urgent for the Palestinians. Their desire for justice and a greater role in fulfilling their own aspirations also demands a response. This community, particularly its younger generation, is also challenged by the forces of extremism and fundamentalism, which feed on frustration and despair.

For Jordan, like Israel, peace and a resolution of the Palestinian issue is also essential for future well being. That is why King Hussein, whose nation already includes a majority of Palestinians, wants urgently to define a new relationship with the Palestinians now living under Israeli control.

The stakes are high for Israel, the Palestinians and Jordan to come to terms with each other and to reconcile their respective interests and aspirations. If Israel is denied its right to permanent peace, security and recognition, if the Palestinians are denied their legitimate rights, and if Jordan's quest for peace is thwarted, all will be victims.

We reject the theory that the interests of Israelis, Palestinians and Jordanians in this conflict are irreconcilable and that this is a zero sum game. We are certain that with flexibility and a willingness to compromise, the urge for peace, which is strong in Israel, among the Palestinians and in Jordan, can be translated into negotiations and ultimately agreement which provides justice and security for all.

Why do we say the United States also has an important stake in such a solution? Our deep interest in the security of Israel, an ally whose strength and welfare are vital to us, our friendship with Jordan and Egypt, whose continued moderation and stability and well-being are of key importance and our traditional commitment to human values, which are threatened by adverse forces in the region, require us to commit ourselves as a nation.

Diplomacy abhors a vacuum, and if we should opt out of the peace process, those who believe in the role of force and in absolute solutions will take our place. We have a duty to ourselves and our friends to continue our diplomatic efforts, notwithstanding the obstacles, in support of our friends who yearn for peace and believe in compromise and moderation. We must continue to encourage flexibility and accommodation by

all the parties to a conflict in which there are no black and white answers and in which all the protagonists have compelling equities.

Whenever I visit Israel, I am encouraged by the vigor of debate over the peace process, Israel's future and the Palestinian issue. Your organization has furthered this process in a constructive way by supporting the principle that this dialogue should also flourish among Israel's friends abroad, whose commitment and support for Israel are a source of great strength. The Jewish people, in Israel and throughout the world, because of their own experience have a unique perspective on the suffering of others. I have always believed that their faith and tradition, to which the world owes so much, will help build peace between Israel and its Arab neighbors. Peace is also a holy creed of Islam and the Arab people. Their culture also offers the spiritual and moral strength needed for peace and reconciliation. These two peoples of the book, both descendents of the sons of Abraham, are destined, in the words of Prime Minister Peres, "to live side by side, from time immemorial, till the end of time." They deserve our continuing, active support in their search for peace.

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