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March 10, 1986

SYRIAN WAR CRIES

"Let our generation be the generation of death for the sanctification of God! We have laid the cornerstone, and now we must erect the building upon it." (Hafez al-Assad, from his speech honoring Revolution Day, March 8, 1986)

In a timespan of just ten days, Hafez al-Assad recently delivered two speeches which were extremely harsh and aggressive even by Syrian standards. He called for violence and war. He called for territorial expansion. He called for terrorism.

In his first speech (attached), delivered at the inauguration of the People's Assembly on February 27, President Assad said that history would show that the Golan Heights was a "climax of the disaster" for the Israelis. He threatened that the Golan Heights would not constitute Syria's border, but the middle of Syria. Assad urged Mubarak to tear up the Camp David Accords, and warned that ignoring the anger of the Egyptian people, as witnessed recently, would lead to repeated uprisings in the future. He declared that Syria would stand by the Palestinian Arabs in their heightened activities against Israel, and promised that Damascus would back their effort to "restore" the land and establish a Palestinian state in the "occupied Palestinian territory." He praised those Lebanese who fight Israel, extolled their willingness to die a martyr's death, and promised support, including the supply of arms, for their actions against Israel in southern Lebanon. While castigating the United States, Assad reaffirmed his country's friendship with the Soviet Union and the "socialist" countries.

Assad's second speech, delivered on Syria's Revolution Day, was similar in its belligerency. Praising Arab suicide-bombers, he noted that Syria's "armed forces are a training school for death in the service of God." He stressed Syria's intention to battle Israel, and declared, "We have a date, soon, with our brothers in the Golan, in Palestine and in southern Lebanon, by the will of Allah, on the day of victory!"

Assad's speeches demonstrate clearly that Syria is committed to a course of aggression and war for which it is preparing by arming to the teeth, that it remains the Soviet Union's key ally in the region, and that it stands behind terrorism.

Syria's opposition to peace with Israel is inherent in the policies of its ruling Ba'ath regime. This enmity, along with its traditional rivalry with Egypt, has placed it at the head of the rejectionist camp which has ostracized Egypt for signing the 1978 Camp David Accords and 1979 Peace Treaty with Israel. Syrian rivalry with Jordan has temporarily taken a back seat to a

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Syrian-Jordanian rapprochement, largely because Syria wishes to woo Jordan away from any potential moves towards peace with Israel.

Using as its slogan "strategic parity with Israel," Syria has been building-up its military strength with the intention of eventually using the sophisticated weaponry -- supplied by the Soviets and other sources -- against Israel. Since 1973, Syria has spent more than \$19 billion on arms; \$3.3 billion this last year alone. Since 1982, its military manpower has almost doubled (from 300,000 to 500,000). Its tank force has been increased to more than 4,000 (including 1,000 T-72 tanks), doubling its armored and mechanized divisions (from 5 in 1982 to 9 in 1985/6), and making Syria's armored corps larger than that of Britain and France combined. Syria has more than 600 combat aircraft, and since 1982 it has doubled its surface-to-air missile batteries (from 80 to 160).

Soviet support for Syria is longstanding and has encompassed all possible areas: diplomatic backing, economic and technical support, and especially military aid through an enormous flow of arms, which in terms of their sophistication often exceed the weapons which the Soviet Union supplies to its own Warsaw Pact allies. Syria has reciprocated by backing Soviet policies around the world, as in Afghanistan, and by placing a naval base at the disposal of Soviet ships. Thousands of Soviet advisers are stationed in Syria. Moreover, since 1980 both countries have had a Treaty of Friendship and Cooperation to further cement their relationship.

Syria supports and sponsors terrorism. Several terrorist groups -- including the most notorious ones, such as Abu Nidal group, George Habash's "Popular Front for the Liberation of Palestine" and Ahmed Jibril's "Popular Front for the Liberation of Palestine - General Command" and Abu Musa's Fatah faction, and the Hezbollah -- have their headquarters/bases in Syria itself or Syrian-controlled territory in Lebanon's Bekaa' Valley. Terrorist training camps are run on Syrian-controlled soil; Syria supplies these organizations with arms; Syrian officials provide guidance and instructions. Syria makes full use of these organizations in its ongoing pursuit of power within the Arab world and has often sent terrorist hit men against Jordanian, Iraqi, and other targets. Syria's determination to undermine peace has led to the bombing of the U.S. Marine barracks and U.S. Embassy in Beirut. Syria's war against Israel has resulted in terrorist attacks against Israeli targets and moderate Palestinian Arabs, including the recent murder of Shechem (Nablus) Mayor Zafer al-Masri.

Especially in the context of Syrian politics, President Assad's remarks were ferocious and ominous. Israel is fully prepared to meet any potential threat and aggression from its neighbor in the north. However, for peace to have a chance, the world must do all it can to reduce Syria's detrimental influence and capacity to do damage.

linked to women's role in this society. The growing role of women in the country means growth in national welfare. The increasing role of women constitutes proof of rapid development of intellect, conscientiousness, and national, pan-Arab, and humanitarian perception. On this basis, the growing number of women in this assembly indicates we are moving on the right track toward normalizing life in our country. This is a source of satisfaction and optimism.

While we begin a new legislative term today, I extend my appreciation and gratitude to the previous People's Assembly for its efforts and achievements in the field of legislation and discussion of the affairs of the homeland and citizens. I extend my greetings to all those who nominated themselves to the membership of the People's Assembly [applause], those who won and those who did not, those who continued to nominate themselves until the end of the elections, and those who withdrew before or during the elections. I am confident that the motive of all those was sincerity and the desire to serve their homeland. I say to those who did not win that you are our sons, brothers, and comrades. Your sincerity and loyalty to your homeland is equal to that of your colleagues who won.

If anyone of you saw any behavior or acts which violated the constitution and its rules and affected the results of the elections, then he should contest the legality of the elections without any hesitation. It is known that the appeal against the results is submitted to the higher constitutional court within 15 days, starting with the day which follows the announcement of the decree containing the names of the People's Assembly members. This decree was published in the official *GAZETTE* yesterday. Thus, we have plenty of time to allow those who wish to contest to do so. [applause] In accordance with its laws, the higher constitutional court will investigate every complaint it receives and the elections will be held again in accordance with the laws if anything conflicting with legality in any region is confirmed.

During the three previous terms, the People's Assembly formulated several important laws taken from the principles of our people and party and which laid the foundations of life in our country and whose benefits were reaped by large numbers of the people. The people's Assembly also discussed during the previous terms numerous national and pan-Arab issues and exercised a tangible activity highlighting Syria's role on the pan-Arab level within the framework of Arab and international parliamentary unions and through bilateral contacts. We aspire to see more of all aspects of this activity during the fourth legislative term.

Running for election to the People's Assembly is a competition to gain the honor of representing and serving the people within this assembly. In this endeavor, you came to carry out a sacred duty you accepted when you campaigned to continue the course, adhere to the principles in which the people believed and which embodied their interests and aspirations, and defend these principles with honesty and enthusiasm.

The Constitution calls on you to carry out your mandate with honor; it gives you powers to enable you to fulfill the people's interests in implementation of your responsibilities. Practice this authority through continued legislation and control [muraqabah] over the implementation of laws. The responsibility of control

Al-Asad Address

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[Speech by President Hafiz al-Asad inaugurating the newly elected People's Assembly in Damascus on 27 February — live]

[Text] People's Assembly speaker, PNC speaker, People's Assembly members, comrades, and ladies and gentlemen: We open the fourth legislative term of the People's Assembly today, with God's help, hoping for a new fruitful term and new achievements which will compliment the achievements of previous terms and reinforce our endeavors to entrench people's democracy with sincere efforts and firm steps. We always aim to allow the people to practice authority and be the owners of the decision through the constitutional establishments, foremost of which is the People's Assembly.

It pleases me to congratulate the People's Assembly speaker on his election and wish him success in his mission. I also congratulate the Assembly members on the confidence they have achieved, wishing them success and true expression of the people's aspirations and sound tackling of their affairs. I seize this opportunity to express my pleasure with the growing representation of women in this esteemed assembly [applause]

I regard the growing number of female members in the People's Assembly as proof of progress in restoring the rights of the Arab woman in Syria and her assumption of the role she should play in our society, in the family, in popular and trade union organizations, in constitutional establishments, government institutions and all walks of practical life. It is my conviction that the renaissance, advancement, and progress of society is strongly

shouldered by your council is very important so give this responsibility the effort it deserves.

The old People's Assembly carried out the responsibility of control through its discussions with the government and through the formation of committees to follow up a great number of matters. This practice, which constituted an advance step, was not enough. It has not achieved its objectives and following up matters was not sufficient. The issues which were supposed to be followed up were not all followed up. The government projects and the discussion on them were no different. The objectives were not reached. This practice is incomplete and many concessions were made. Council members have no right at all to make these concessions in their responsibilities. A number of council members were in the old government. Now, they are glad they are not in the government. [Al-Asad laughs]

Our exercise of responsibility should be complete. We should devote everything we can to carry out our duties. We should not leave the door open for any distortion or gap. The structure will then be firm and solid. We should carry out our responsibilities in an ideal way to please ourselves and to please others as well as to gain and to make others gain.

Gentlemen: As we talk about control as an important part of the responsibilities of the People's Assembly, we should also remember and stress the importance of control in general because it concerns everyone as a citizen of this country. Control means that we should all be reassured that everyone is carrying out his duties to himself as well as to his homeland. If we carry out our duties in every field accurately and honestly, we will surmount many obstacles in our path and we will overcome many difficulties from which we are suffering now. Overcoming our problems does not mean to remain standing where we are, to accept what we have, and to give up our ambitions to achieve the best in carrying out our duties. It means insistence on rejecting this reality.

This is because we want to build our life in harmony with this best example in terms of development, justice, creation, and unique achievements. When the people work armed with the required determination, inactivity turns into activity, negligence into seriousness, hesitation into boldness, and weakness into strength. When the people work armed with the required determination, every bad thing will turn into the opposite. Here I must stress the role of the press and other news media regarding the subject of control. It is a very important role. I have stressed this role from this place in the past. I have stressed this role from this place in the past. I hope that we will perform our duty better than ever. We must be patient regarding control and what it requires of criticism and analysis. We all must be observers and observed, especially since we all in this homeland are observers and observed. We must realize that control does not mean opening fire or killing and does not mean hostility or defamation.

Control aims to find facts and display them before the people. It means finding mistakes and explaining what is correct in order to strengthen it. Control means participation in the work responsibilities. Consequently, it means the translation of cooperation and integration of efforts to achieve the required work. Therefore, control is our right and duty. We are all equal. No

one should be beyond control, because control is the people's weapon and decision. [applause]

By doing this, we will all take part in the battle of the common national life in order to build it with our efforts, sweat, blood, and high collective spirits. Let us understand the role of control information as it really is: a constructive work, an objective search, and a national need to explain facts and achieve the country's progress. None of us possesses the homeland by himself or carries its burdens and tackles its issues by himself, but we all together possess the homeland and all together carry its burdens and tackle its issues. Let information and all of us continue to perform our duties and exercise our rights without hesitation and with awareness and responsibility. Let us combat mistakes and sins in order to build the homeland of progress and socialism. [applause] Brothers, thanks to our great people, we have undoubtedly made many achievements in various fields. We are not here to enumerate these achievements. However, we must point out that we have achieved what we have achieved despite the difficult circumstances through which we have passed, despite all forms of plots which were hatched by imperialist and Zionist circles throughout these years, and despite the hostile Zionist challenges we have faced and are facing and which required and are requiring that we must exert all possible efforts and devote great potentials in order to confront them. We must continue to be alert and vigilant because the issue is related to our homeland and nation and to its destiny and pride. Our people stood fast in the face of all these difficulties, repulsed all forms of plots, crushed fierce plots, and emerged from the conflict against these plots proudly. Our people are now standing as a lofty mountain in the face of imperialist-Zionist challenges represented by Israel and its hostile actions, both past actions and those expected.

We have achieved what we have achieved despite all difficulties. However, we still have ahead of us many great tasks in all fields. The most important task is to continue our work to build a strong economic base capable of meeting and making available people's needs, the requirements of defense, and the progress of development.

We suffer from some economic problems. We all feel them. We must understand that these problems have their objective causes represented by the lack of balance between revenues and expenditures and needs and production as well as by the effects of the world economic crisis on the countries of the Third World to which we belong. But these problems also have their inherent causes that are of our own Making. Foremost among these causes is the lack of comprehensive planning and control, a diminishing sense of responsibility, and incorrect utilization of the country's resources.

If the objective causes persist temporarily pending a change in the economic equation, the inherent causes are of our own making from beginning to end. Although the elimination of the inherent causes will not eliminate the objective causes, still it will help reduce their negative, and sometimes painful, effects.

In view of all this, we must pool our physical, intellectual, and psychological powers in order to overcome all these obstacles, first the inherent ones and then the objective ones. This may not

led to immediate miracles, but it will certainly set us on the course of salvation and guaranteed results. We must move from the phase of economic imbalance to the phase of equilibrium and from the phase of overconsumption and excessive imports to meet our needs to the phase of rationalized consumption. I believe that meeting the country's needs through national production calls for implementing the motto of self-reliance. [applause] Creating the circumstances that will make this motto a fact of daily life for all of us. Self-reliance calls for increasing production and reducing consumption. Ignoring either one will not help us achieve our national aim of ensuring a balanced economy and meeting the country's needs. Greater consumption has caused us many problems due to the increase in imports. This situation has set forth a chain of negative economic and financial reactions. The problem has remained unresolved. In fact, it has assumed greater proportions because it is not pursuing the path of a correct solution. It is thus a negative development.

Reduced consumption may displease many of us. However, it is a positive development. It will reduce our need for more imports and foreign currencies and stop the chain of negative economic and financial reactions. In fact, it will gradually strengthen our economy and finances and help achieve a full recovery. When all this is accompanied by a qualitative and quantitative improvement in production, we will guarantee food security, achieve a balance economy, and meet the country's needs.

I must emphasize here that the achievement of this objective calls for the cooperation of all the citizens. We must consider it a battle. I am sure that we are capable of finding the means to wage this battle and achieve victory. [applause]

Here, I am not programming what we should do. Rather I am pointing out landmarks that would help enlighten our path and aims. I am not demarcating a new economic line or a new economic order. In this regard, the situation is stable because we are dealing with the same economic sectors. The public sector is the same with its basic, leading responsibilities in realizing economic and social development, providing the people's needs and the requirements of defense. The private sector is the same. It should play its national role of contributing to economic development and realizing self-sufficiency. The mixed sector is the same. It plays a national role in more than one field of development. We hope that the role of this sector will expand. We have worked and will work to encourage and develop our three economic sectors so that they will work jointly for the development and prosperity of this homeland.

Brothers, the events through which we have passed and the plots to which we have been exposed proved the soundness of our internal front and our people's steadfastness and capacity for confrontation. This does not relieve us from persevering in serious work to close the loopholes and face the difficulties which appear in our midst from time to time. These difficulties are a natural byproduct of life's movement, development, and new requirements. This also does not relieve us of the task of overcoming the difficulties which appear among us and on the soil of our social life — a soil which has become poor or rather which we made poor because we have not worked enough to enrich it and preserve its vitality. Therefore, this soil gave us bad products, which will become much worse if we do not work to improve our

soil. These bad products will cast their shadow over our entire social life if we do not tackle their cause.

Based on these rules, the spots of light should not dazzle our eyes and make us lose our sound thinking. These spots of lights should expand our vision and enhance our intellect so that we might expand and multiply these spots, thus making us as well as our lives richer. Work is the essence of life and the basis of man's progress.

While implementing our plans and programs and endeavoring to strengthen and entrench the tone of our work, we will continue to review all these plans and programs as well as the methods and formulas of work, stemming from the dictum that things should get better in our politics, culture, economy, defense, and other fields. Thus, our abilities will be maintained and will increase, and our steadfastness will be entrenched and will grow so that our performance will be enhanced in facing the Zionist and imperialist plots and their dangers, which threaten our future and destiny and which should never escape our minds. We should not allow any carelessness or allow others to deceive us because history teaches us that many peoples became careless and therefore were deceived. They perished and were wiped out. The moral is before all of us. It is very clear and eloquent.

Zionism is of the opinion that deceiving us and catching us unaware is necessary because its mission of expansion, occupying the land of others, and displacing people from their homes is a very ancient mission. It extends to eternity as defined for them by their God, who entrusted them with its implementation. Let our enemies and those who capitulate for them know that we will confront this colossal heresy and will defend the values of God and man on earth, particularly over our Arab land. [applause]

Brothers, Israel is of the view that in time it will throw the Arabs one after the other into the trap of capitulation into which some have fallen so far. But is there anybody who is unable to see the fate of these capitulators?

Where is Numayri, the Falasha merchant, who sold his people and nation for money and acted as a broker to smuggle Falasha Jews to Palestine? Where is Al-Sadat, who sold Egypt and its decisionmaking? He signed the document of submission and submissively and obediently handed it over to the Zionist diehards so they could make Egypt a Zionist protectorate. There is no Numayri now because the Sudanese people toppled him and are pursuing him. There is no Al-Sadat now because he could not stand in the face of the Egyptian people. Al-Sadat wanted, in signing the document of submission in Camp David, to humiliate this people but failed. Al-Sadat faced his harsh judgment, but the Egyptian masses will continue their struggle to wipe out the effects of the capitulation deal. [applause]

The great Egyptian people who led the Arab struggle against Zionism and all forms of colonialism will never agree to live under Israeli hegemony or lose their national decision and become a lackey of Israeli policy and revolve within its orbit. The Egyptian people will not agree to be under the will of the United States and Israel and transform Egypt into an Israeli protectorate.

I lived in Egypt as a Syrian officer before the unity in 1956. I also lived in Egypt throughout the years of unity as an officer in the United Arab Republic. My life there with Egyptian Army officials and citizens allows me to say that they are among those Arab Army officials and citizens who harbor hatred and hostility for Israel and its designs. They know only too well the ambitions of expansion and hegemony Israel is seeking to achieve. I can also confidently say that they cannot possibly stand by as onlookers as Israel is fighting us and occupying our land and seeks to achieve more.

They will never forget that we jointly fought all wars against Israel and that only recently, 1973, we jointly fought the October war under joint command and that we appointed an Arab Egyptian officer to command the Syrian and Egyptian armies. When we jointly planned to confront Israel, defensively or offensively, we took into consideration the capabilities of the two countries and two Armies on the basis that we are one country and one army. [applause]

On the basis of this reality, a recent reality, is it logical for Egypt to agree to stand on the side of Israel and sign an agreement with it while it is usurping our land and fighting us? This agreement is the Camp David agreement which humiliated Egypt and infringed on its sovereignty. Israel withdrew its forces from Sinai but it did not withdraw its hegemony from Sinai. Egypt did not possess complete sovereignty over Sinai, but was granted limited rights in Sinai which are worthless when compared with the massive concessions and the serious restrictions which Israel imposed over all of Egypt.

In exchange for withdrawing forces from Sinai, Israel imposed, with the approval of the Egyptian ruler, its hegemony over Sinai and all Egypt through the imposed chains. Israel also separated Egypt from its historic role and placed it in a position hostile to its genuine position historically, spiritually, and physically. Israel imposed all this without assuming any burden, but spared itself of the large human and material burden it shouldered while its forces were present in Sinai. I am talking about a recent reality in which we participated as one country. This period of history may not be as important as our old common history or as important as the role of Egypt during that time when we together fought against all invaders who tried or who truly invaded this Arab territory. The Egyptian people will only side with us and we will only side with them. Nobody should expect that people to separate from their history and character. Our spiritual, material, historical, cultural, and human relations with Egypt are so strong that no ruler nor the United States and Israel can break them or place them in oblivion. It is impossible to put the history of people into oblivion. [applause]

The Egyptian people and forces will break the Israeli chains and we will meet as before in defense of our principles, dignity, and interests. We will be one hand and one force. Egypt together with the Arab nation will not allow Zionism to turn our countries into Israeli protectorates and to impose its will and decision on us.

The successive incidents in Egypt assert that Egypt will remain the great Egypt of history. [applause] Nobody can minimize the role of Egypt. The incident of Sulayman Khatir [applause] is not an individual act. Khatir was not insane as the official report

stated. The martyrdom operation carried out by the Egyptian hero 'Ali Tulbah Hasan against the Israelis [applause] in southern Lebanon was not an individual act. Hasan sent a message to his family and his Egyptian fellow citizens explaining the objective of his operation against the enemy.

The martyrdom operation carried out by the Egyptian hero Hasan Salim Muhammad [applause] together with his Syrian colleague hero Mahmud murshid Sulayman [applause] against the Israelis in southern Lebanon — in which a number of Israelis and their agents were killed — was not one of individual behavior. The hero Hasan Salim Muhammad sent a recorded audiovisual message to his fellow citizens in Egypt explaining his view of the conflict with Israel and its ambitions, as well as his view of Egypt and its role.

These heroic acts, which some Egyptians carry out in Sinai and which other Egyptians carry out in southern Lebanon against the enemy, are not fleeting individual acts that express only personal desires. They express the conscience and desires of the Egyptian people. The heroism of these men is a symbol and expression of the heroism of the Egyptian people. These acts affirm the latent anger in the hearts of the Egyptian people. Undoubtedly, what is going on in Egypt these days is part of the latent anger of the Egyptian people. Such an uprising, which engulfs the whole of Cairo, Al-Qalyubiyah, Ismailiah, Asyut, Suhaj, and other places and in which the Army and police are taking part and against which the same Army and the same police, including tanks, artillery, and air force are fighting, is a genuine popular uprising. [applause] It is both wrong and unjust for anybody to belittle its importance or distort its aims. Such a great and wide-scale uprising cannot be ignited by a trivial cause. Only the national causes can do such a thing. The Egyptians have a cause for which they have risen; namely, the cause of Egypt's freedom, and of Egypt's will, which Camp David is usurping.

It is Egypt's historic role, which the Egyptian people refuse to concede just because Al-Sadat approved this concession. It is the Camp David problem and its repercussions on the Egyptian arena. I greatly wish that Brother Husni Mubarak could stand in front of all the Egyptian masses ...

I have often said that I harbor only good feelings toward Husni Mubarak. I knew him in the past as a man; when I knew him before he was in power and as an officer, he was just like the other Egyptian officers, a good man at heart, a nationalist despising the Israelis and their plans, and working, like his colleagues, to fight the Israelis when the suitable circumstances permit. I met him more than once when he was vice president. I found that he was unchanged. Based on this knowledge, I say that I wish that Brother Husni Mubarak could stand in front of the entire Egyptian people and tell them: These are the Camp David accords. I tear them up in implementation of your desire. [applause] At that moment, Husni Mubarak would be a great Egyptian hero and a great Arab hero. At that moment, we will be together in the same position and in the same trench and we will be one great force. Attempts to exaggerate and create fears in Egypt that such action would lead to the occupation of Sinai by the Israelis are dubious attempts.

Tearing up the Camp David accords would achieve Egypt's

actual control and sovereignty over the Egyptian Sinai. [applause] I tell those who spread these fears in Egypt and the Arab homeland: If you have good intentions, then the opposite of what you say is the correct thing. Egypt now does not possess its own decisionmaking. Egypt now cannot do what it wants in Sinai although it is Egyptian territory. Moreover, Egypt cannot do what it wants inside other Egyptian territories. The national Egyptian decisionmaking is now shackled by the Camp David accords. In order for Egypt to restore its independent decisionmaking and regain its full sovereignty over all of Egypt, including Sinai, it must tear up the Camp David accords. Is it not sufficient proof that Egypt has not regained Sinai when they attempt to convince Egyptian citizens, and maybe some Egyptian officials, by saying that if you do so and so or if you deviate from the Camp David provisions then Israel will take Sinai back?

I light of this, where is Egyptian sovereignty? In return, if Israel deviates from the Camp David accords, what can Egypt take? Let them say in answer, if Egypt violates the Camp David accords, Israel will take Sinai back, so what will Egypt take if Israel violates the Camp David accords? Moreover, is there any state on earth that accepts such conditions on part of its national territory? I do not believe that there is an independent state in the contemporary world which can live under such conditions imposed by Camp David on Egypt. Moreover, why can Israel take Sinai back if the Egyptian politician or citizen violates or tears up the Camp David accords?

First, Egypt is their land and Sinai also is their land and they have the right to act with and on these lands without any foreign interference. No one outside Egypt has the right to restrict this right or these rights. Second, why can Israel reoccupy Sinai? Egypt is the land of 50 million Egyptians and throughout history Egyptians have never hesitated to defend their national issues or to defend the Arab region's causes in general. Therefore, who has said, and how can we agreed with him, that the Egyptian people fear to confront Israel? Why they are trying to depict Israel as being a predatory monster the confrontation of which is useless, whether in the present or in the future, as they say?

These people are either defeatists or fifth columnists. We are sorry to see defeatists and fifth columnists in the ranks of this nation. These lies will not deceive the Egyptian people and Army no matter how long it takes. The Egyptian Army fought Israel for many years. Throughout history, we and the Egyptian people and Army have confronted great invasions against this area — Egypt, Syria, and other Arab countries. We confronted these invasions for decades and even centuries. In the end, thanks to our common struggle, sacrifices, and bravery, we defeated these invasions and there is no trace of them now on our Arab soil. Therefore, why should Israel and its invasion be different while we are now greater in number, better equipped, and richer? We cannot be less brave, courageous, and faithful, and we will not, God willing. [applause]

The Lebanese people are going through a deep internal crisis that has weakened their position. We and others have tried for years to help the Lebanese people overcome this crisis. However, despite this weakness, the Lebanese people will not give Israel a single tiny piece of paper that might prejudice their patriotism, sovereignty, and freedom. [applause] The Lebanese people, who

are small in number, have chosen to confront the enemy and to reject any compromise. They continued to fight and they succeeded in canceling what Israel and the United States wanted to impose on Lebanon. What they wanted to impose was another Camp David agreement. The Lebanese people have thus forced the Israelis to withdraw from a large part of their territory. They will, eventually, expel the Israelis from every inch of Lebanon. [applause] If this is what the Lebanese people have done despite their known circumstances, is it not possible for Egypt — a country that is great through its people and history — to do the same? How can they convince us or convince the Egyptian people that fear is inevitable when it comes to a possible confrontation with Israel? They embellish such talk by saying that Israel has the United States behind it.

Israel has U.S. support in Lebanon and everywhere. The United States is behind Israel everywhere. The United States supports Israel against Syria. Even when it votes against terrorism, the United States cannot be in harmony with what it says about terrorism because it does not agree to condemn Israel. The United States resists condemning terrorism while declaring day and night and appealing to the world to combat terrorism. Regarding the rights of nations, the nations which own these rights are miracle-making nations. History has confirmed this. The history of Syria, Algeria, and Vietnam has confirmed this. They say that the United States supports Israel. The United States itself fought in Vietnam. It was a direct party fighting the Vietnamese people. The Vietnamese people's insistence on defending their rights and inflicting defeat on the enemies — the United States — enabled them to achieve their objective not because they Vietnamese people are stronger than the Americans. The United States is a superpower and has become a great nation now with a civilization that is leading this world. However, right is always stronger. [applause]

The Egyptian people have numbers, the equipment, history, traditions, right, and belief. How can such people be afraid or be frightened? Once again, I wish that brother Husni Mubarak could stand in front of the entire Egyptian people and tell them: These are the Camp David accords. I tear them up in implementation of your desire, that Egypt's freedom cannot be bought or sold, and that the will of Egypt cannot be restricted by papers signed by a man without the consent of Egypt's real history and the true will of the Egyptian people. That day will be the day of Egypt and the Arab masses when anger is transformed into happiness, the killings are transformed into security, hatred is transformed into amity, and exasperation into relief. I advise the political leader in Egypt not to look at the current events in the Egyptian cities these days and assess them from the standpoint of the possibility or impossibility of gaining control over these events. This is not the important viewpoint. What is more important is that these events are deep popular expressions of anger which sometimes subside and sometimes explode and will continue in this manner until the situation is settled in harmony with history and the will. The occasional repetition of popular uprisings and subsequent developments will make future solutions more complicated and very different.

The heroic Lebanese people are embodying history and will in the south and will never bargain with them. Israel roars, threatens, occupies, and kills. However, what remains of the

people will be the entire people.

But whatever remains of the people will be all the people. They might kill nine but the tenth will remain as ten and not as a single man. Southern Lebanon is the conscience of the nation. Therefore the nation will stand by it. Israel kills many Lebanese, but to no avail because the Lebanese and the Arabs no longer fear Israel's battles and fighting. They no longer fear to die as long as they defend right and themselves.

Martyrdom is sought by the majority of the masses. It has become the immortal, priceless medal. Men and women are facing and fighting Israel in great numbers not limited to southern Lebanon or the Lebanese border. South Lebanon is the Arabs' south. The fighting there is the Arabs' fighting. The harm done by Israel's aggressions will not be less than the harm it will sustain. Men from everywhere can go to the South. They want to go to the south. Weapons from everywhere will be transferred to the south. Any loss of these weapons will surely be made good. [applause]

Experience has shown that the fighter who believes in his cause will carry out his mission regardless of the obstacles. We support Lebanon, particularly in the south, by word and deed. We have proved that and we will continue to prove it. We hail southern Lebanon and the Lebanese nationalist front. We will remain with you on this road to the end.

We salute you, O our brothers in the occupied Palestinian territory. [applause] We highly praise your heightened struggle and affirm that it is the correct path toward liberating the will and regaining the land. We are with you and we will remain with you until your will is liberated, your land is restored, and your state is established. We will always be with the steadfast strugglers who adhere to their rights. We will never be with the capitulationists who despair and who induce despair in others. We have confidence in you, brothers. Our struggle is one and our cause is one. Rest assured that victory is ours and time is on our side, contrary to what some people say. [Applause] O brothers and sons in the Golan, be assured because your homeland is in good condition. You should not fear for the Golan because 12 million Syrian citizens are capable of regaining the Golan. [applause] we have no worries or doubts about this. If the Israelis work to put the Golan within their borders, we will work to put the Golan in the middle of Syria and not on its borders. [applause]

They should remember Begin's letter to Al-Sadat before the latter's visit to Jerusalem in which he said that the enemy always came to them from the north. The opening of fire by Israeli security men in your villages the day before yesterday which your people all over Syria heard will only increase our hatred for this historical enemy and augment our determination to fight it through to the end. History will record that the Golan was the climax of the disaster for the Israelis. [applause]

Brothers and sons, your steadfastness is received with appreciation and pride by your masses in Syria. You are beloved by all your brothers and fellow citizens. We will meet with you again. We send our love and greetings to all of you — men, women, children, old men, and youths. [applause]

Gentlemen, as we talk about many of our important issues and about what faces us, we believe that our great people are capable of giving and confrontation. Our people will certainly attain their lofty objectives because the potential of the determined and faithful people is unlimited. We must remember that there are friends who support us in our lofty struggle — friends in Islamic countries and in nonaligned countries.

We also have friends who strongly support us in the socialist countries led by the USSR. [applause] From this place, I greet the USSR's leadership and peoples. I also greet the socialist bloc countries. I also greet our friends in the Islamic and nonaligned countries. At last, I greet you, O brothers, members of the Assembly, wishing you success in your duties.

Glory be to our people, glory to our martyrs, and peace be upon you.

U.S. officials now feel that Syria has the power to decide the future of Mideast peace talks

The Syrian Factor

By Wolf Blitzer

WASHINGTON—The Reagan administration has grudgingly begun to take Syria's views of the Arab-Israeli peace process more seriously.

Over the past two years, ever since the Syrian regime of President Hafez Assad successfully managed to derail the ill-fated Israeli-Lebanese security accord and return to a position of considerable power and influence in Lebanon, American officials have slowly but surely come around to take another look at Syria's potential role in any peace talks.

There is a consensus among senior U.S. officials that the Syrians currently have it within their power to kill any real prospects for expanding Arab-Israeli peace talks. They also believe that the Syrians, if they so wanted, could give peace a tremendous boost. They insist that Syria has lately not been as "negative" as usual, but they are not certain why.

The Americans are not suffering from any illusions. They fully appreciate the pragmatic but ruthless nature of the Assad regime. They understand the implications of Syria's formal treaty relationship with the Soviet Union. They are not holding their breath waiting for the Syrian leader to announce a readiness to open direct negotiations with Israel.

But still, Washington has lately become increasingly more sensitive to Syria.

Secretary of State George Shultz, for example, told a press conference on Dec. 6 that his chief Middle East advisor, Assistant Secretary Richard Murphy, had "some very interesting discussions and worthwhile discussions in Syria. And Syria is obviously a country of key importance, and so we keep in touch with Syria."

Shultz, in response to another question, expressed hope that Syria "can be helpful to the peace process." But he also made

clear that Syria was not among those Arab countries which already have come around to accept the notion of eventually opening direct negotiations with Israel. The Secretary said Jordan, in contrast, has accepted that concept.

Asked about the most recent rapprochement between Syria and Jordan, the Secretary replied that he was "puzzled" by it. He agreed that "stability in the region" was important, but added: "I don't feel that I have a good, full understanding of all of the factors involved" in the improved Jordan-Syrian relationship. Any easing of the tensions between the two countries, he added, has many "dimensions."

A few days earlier, the State Department had restated America's longstanding view that the territorial withdrawal provisions of UN Security Council Resolution 242 also apply to the Golan Heights, which Israel formally annexed in 1981. The Americans have never accepted Israel's Golan action.

The State Department's statement, coming on the heels of Murphy's talks with Assad in Damascus, was seen as part of a continuing campaign to elicit a more receptive Syrian attitude toward the U.S.-sponsored peace process.

No Significant Progress

Unfortunately, however, the peace process does not appear to be going anywhere—at least for the time being. Murphy returned to Washington from a two-week swing through the Middle East without any significant progress in setting the stage for direct Arab-Israeli negotiations.

The two major problems standing in the way of such talks remain unresolved. There has been little headway made in finding credible, non-PLO Palestinians to



Richard Murphy

participate in a joint Jordanian-Palestinian delegation, and there is still confusion surrounding the exact nature of any international umbrella under which the negotiations would take place.

The Soviet Union is still not seen in Washington as prepared to play a more constructive role, despite the less hostile superpower rhetoric that has resulted from the Reagan-Gorbachev summit last month in Geneva. In short, the situation remains murky and gloomy.

But U.S. officials insist that the peace process is still alive even if it shows very little life. Shultz, trying to put America's best face forward, said: "There has been some very considerable progress." But privately, the Americans are pessimistic. They had hoped to meet the end-of-this-year "target date" for opening such negotiations.

Lately, they have even sensed an erosion in the position of King Hussein who is depicted as wanting a much more serious and full-scale international conference than was once hinted. The king's latest moves toward Damascus, moreover, may herald a toughening of the Jordanian stance.

The *Wall Street Journal* noted the other day that the latest oil surplus has created some real economic problems for Jordan. "Economic conditions in Jordan are deteriorating, and hard times in the oil-producing Persian Gulf states mean that Jordanian workers are being sent home, raising Jordan's unemployment rate and robbing it of the remittances these workers once sent home," it said.

"King Hussein, understanding that these conditions could produce domestic unrest, is edging closer to Syria," the newspaper, in a report by diplomatic correspondent Robert Greenberger, continued.

The newspaper said Hussein "appears to be positioning himself for a lengthy stalemate by moving closer to Syria, his most dangerous neighbor."

But the Americans believe that Hussein's positions are still fluid. They are convinced that he is sincere in accepting the concept of direct negotiations with Israel. They are impressed by his public and private declarations. They also know of his secret channels to Prime Minister Shimon Peres.

This helps to explain why Shultz has become so fond of Hussein and why the Reagan administration, as a whole, was so prepared to try to push a major new weapons package for Jordan. Strong opposition by Israel's friends in Congress has temporarily stopped that package, although President Ronald Reagan has pledged to revive it by March 1.

But in the meantime, U.S. officials concede, Hussein has been politically humiliated by the withdrawal of the arms sale. That, they said, could also be seen as part of his reason for improving ties with

Syria.

Assad can play an important role in the peace process if he so wants. But U.S. specialists insist that he is still determined to achieve what he calls "strategic parity" with Israel before moving in any such direction.

According to U.S. officials, the Syrians also do not see the National Unity Government in Jerusalem—or any government for that matter—as prepared to withdraw from any part of the Golan Heights until that "parity" has been achieved. That is why the Syrians continue to amass weapons and adopt a strategy of maintaining its armed forces on what one official called "a war footing."

The Syrians already have been massively rearmed by the Soviets since the war in Lebanon in the summer of 1982. U.S. analysts agree that the Syrians are far stronger today than they were on the eve of that confrontation with Israel. But they also agree that Syria is still in no realistic position to take on Israel alone.

Israel also has been strengthened since the war with better military technology. A one-on-one war would again result in a humiliating defeat for Damascus.

But Israel would be wise to avoid any such full-scale confrontation, according to the Americans. "It's a war that Israel would win, but at a great price," an American expert said, noting that Israel would suffer many casualties. It would also lose an enormous amount of very expensive military equipment, including tanks, armored personnel carriers and fighter aircraft. Even a conflict of only a few days would seriously upset Israel's economic recovery program.

What worries Washington the most, however, is the possibility of direct Soviet intervention if the Kremlin came to believe that its huge investment in rearming the Syrians was once again about to go down the drain. That, of course, could spark a superpower confrontation.

All of which explains why the U.S. was so actively involved these past few weeks in trying to ease the latest Syrian missile crisis along the Lebanese border. Syria moved fresh missiles to that region after Israeli planes shot down two Syrian MiGs in a Nov. 19 dogfight. The Syrian planes were clearly in Syrian airspace, but the Israeli pilots charged that they had made "threatening" moves against their routine reconnaissance flights over Lebanon. Privately, Israel asked Murphy to inform Assad that the downing of the MiGs was a mistake.

Whatever the cause of the missile redeployment, however, the fact is that the missiles are now likely to remain where they are—making Israel's flight over Lebanon somewhat more complicated and dangerous. Right now, officials said, there is little that Israel can do to change that fact. *Spec*

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THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY

REPORT #10

The Domestic Determinants of Syrian Foreign Policy

Daniel Pipes

January 23, 1986

Mr. Pipes is Professor of Strategy, Naval War College; former member of the Policy Planning Staff, Department of State; editor of the *Harvard Middle East Papers* and author of *In the Path of God: Islam and Political Power*.

SUMMARY

Professor Pipes called attention to the centrality of Syria's role in Mideast politics.

- The "conventional wisdom" that it is necessary to deal with Palestinian leaders like Yassir Arafat -- is wrong. Syria, not the PLO, holds the keys to waging war and making peace.
- No real peace option exists with Syria because anti-Zionism and confrontation with Israel are essential elements for maintaining the minority rule of President Hafiz al-Asad.
- American policy must confront the Syrians by either isolating them in the Arab world or working for the overthrow of the current regime.

PRIMACY OF DOMESTIC FACTORS

Domestic issues are the most influential elements of Syria's foreign policy. The most important factor in Syrian domestic politics is the role of minorities and sectarian divisions. Asad's identity as an Alawite overshadows his Ba'thist, socialist, nationalist and pro-Soviet credentials. Alawites, a breakaway sect of Shi'i Islam that Sunnis regard as a separate and heretical religion, constitute about one-tenth of a Syrian population that is 70 percent Sunni Muslims and 30 percent minorities. Historically, they have formed the peasant underclass in the country's northwest region. After slowly rising through the ranks of Syria's armed forces and the pan-Arabist Ba'th Party, Alawites finally ended centuries of Sunni domination when they took power in a 1966 coup. Asad himself wrested power from a fellow Alawite in 1970. That coup brought an end to two decades of internal instability in Syria, years in which the country witnessed 13 coups.

Syria's Sunnis have provided the primary opposition to Alawite control. Since 1976, an active and organized opposition movement -- spearheaded by the Muslim Brotherhood -- has spread throughout the country. In 1982, Asad showed his willingness to exert ruthless military force to suppress the rebels by razing much of the city of Hama, killing thousands of Muslim Brothers and their sympathizers.

COUNTERING THE ALAWITE STIGMA

In addition to using force to suppress anti-regime activists, Asad has gone to great lengths to defuse criticism of his Alawite origins and of the preponderance of Alawites in top government posts. First, he has appointed many Sunnis to high-ranking positions, such as vice president and minister of defense. Second, he has tried to argue that Alawites are themselves Muslims and he has emphasized his own personal piety and Islamic credentials. Third, he has championed secularism in public policy to show that no religious favoritism is countenanced.

The fourth element is **pan-Syrianism** -- an attempt to appeal to the nationalist instincts of the Sunni majority. Through both his rhetoric and his actions, Asad is implicitly working towards the creation of "Greater Syria." Traditionally, "Syria" consisted of a cultural and geographic unit that included the present-day states of Syria, Lebanon, Jordan and Israel; no such political entity, however, ever existed. Asad's policy vis-a-vis Syria's neighboring states is an attempt -- within the context of pan-Arabism -- to incorporate the pieces of "Syria" into a single political unit. Syria's hegemony over Lebanon, its growing influence over Jordan, its attempt to supplant the Arafat-led PLO as guardians of the Palestinian cause, and its steadfast anti-Zionism are the building blocks of Asad's grand design.

Confrontation with Israel is the operative part of Asad's "Greater Syria" ideology because it holds manifold benefits. First, anti-Zionism is a tool with which to mobilize Syria's Sunni population and galvanize their political support. Second, that policy negates deep-seated suspicions among the Sunnis that Alawites lack vigor in opposing the Jewish state. Third, confrontation is a useful way for Syria to reap the inter-Arab power and influence to be gained from being the staunchest opponent of accommodation with Israel.

ANTI-ZIONISM, THE PEACE PROCESS AND US POLICY

Given the fundamental role that anti-Zionism plays in Asad's political calculus, Syria has no interest in making lasting peace with Israel. Moreover, it is wrong for US policymakers to view Syria as a moderate actor or helpful partner in the peace process. An effective policy toward Syria must not rest on efforts to entice Syria into participating in peace talks because Asad's principal interest is in the maintenance of tension and confrontation in the region. Instead, America should work toward isolating Syria within the Arab world and diminishing its influence in the region. A more vigorous policy will be necessary if America is committed to the peace process as our strategic goal in the region. In that case, the United States should work for the overthrow of Asad and a change of regime in Syria, by providing aid and support to Asad's domestic and external foes.

DISCUSSION

THE BENEFITS OF A SUNNI REGIME

One discussant questioned whether a change from Alawite to Sunni rule will actually lead to a government more amenable to US interests in the region.

While there is no assurance that a Sunni ruler will be more forthcoming than Asad, Professor Pipes argued that any Sunni government will hold greater opportunity for flexibility than the present Alawite regime. Sunnis, he said, would not need anti-Zionism to legitimize their rule as do the Alawites. While no chance for peace with Israel exists now, there is at least the possibility under a Sunni government.

ALAWITES AND PAN-SYRIANISM

A set of questions centered on the link between Asad's minority rule and his reliance on a policy of pan-Syrianism. One observer contended that pan-Syrianism is an inherent element of Syrian nationalism, not just an outgrowth of Alawite particularism. Moreover, it was suggested that other interests -- such as the inter-Arab competition with Egypt and the confrontation with America -- are ingredients of Syrian foreign policy at least as important as pan-Syrianism.

In response, Professor Pipes reasserted the legitimating role that pan-Syrianism holds for Alawites that it does not hold for Sunnis. Moreover, Asad must be set apart from all past Syrian leaders who may have harbored pan-Syrian ambitions because he is the first to be in a position to implement and execute that policy. While it has always been an element in Syrian politics, today pan-Syrianism is state policy.

SYRIAN-IRANIAN RELATIONS

Professor Pipes described relations between Syria and Iran's Islamic Republic as frayed, largely over different policies they hold regarding Lebanon. Iran is seeking to build a fundamentalist state in Lebanon and, to that end, offers support to fundamentalist Islamic groups -- both Sunni and Shi'ite. Syria, on the other hand, is not interested in revolutionary change in Lebanon, but simply wants to replace the current system of Maronite control with a system of Shi'ite control under more amenable leaders like Nabih Berri. While they were able to coordinate their tactical maneuvers in Lebanon, the Syrian-Iranian alliance is foundering on strategic differences.

US AND SYRIAN POLICY

Professor Pipes examined Syrian policy toward America on two fronts. On the level of rhetoric, Syria is stridently and virulently anti-American. But in terms of actual policy, relations with the US are very carefully managed. Asad enjoys presenting himself as a sometimes helpful actor in the region, by assisting, for example, in gaining the release of Americans held hostage. On a day-to-day basis, therefore, he can appear as a moderate and helpful statesman, while his enduring ideological policy is anchored to opposition to the peace process and overall US interests.

(This report was prepared by Robert Satloff.)

THE AMERICAN JEWISH COMMITTEE

date October 14, 1986

STRICTLY CONFIDENTIAL

to IRD Files

from George E. Gruen

subject Jews arrested in Syria

On or about September 23, members of two Jewish families from Aleppo were caught trying to flee the country. A total of seven persons were arrested. The small children have been released but three men are still imprisoned. Those in jail are:

Toufik Khaffif, about 65,
Dibo Khaffif, Toufik's 18 year old son,
Rabbi Eliyahu (Leon) Gindi, about 35.

Mr. Gindi has a wife and two children in the United States, who came here legally on a visit. Because of the Syrian policy that requires part of the family to stay behind as hostages for the return of the others, Mr. Gindi and his 3-year old son were not given permission to leave.

The families suspect that the smuggler who promised to take them across the border was in fact an agent for the Syrian authorities. The smuggler asked them to carry money with them, presumably to pay him once they got across. They had some 260,000 Syrian pounds, worth around \$12,000. This is a distressing complication, because there is a new law that imposes a 15 year jail sentence for anyone caught smuggling contraband out of the country. Earlier this year, the Syrian authorities had warned Rabbi Ibrahim Hamra of Damascus and other Jewish leaders that any Jew caught trying to escape, as well as any of his relatives who failed to inform the authorities promptly that he was missing, would be subject to 5 years in prison. (In the past the maximum was usually around six months.)

The Jewish community was trying to work out something quietly with the authorities in Aleppo. On October 1, we heard from our Paris office that two of the three in jail had been released. However, on October 10, relatives in New York, who were my original source on the arrests, said that the Paris report was incorrect and that all three were still being held.

Quiet diplomatic efforts by the United States helped bring about the release of three members of the Bassou family this past summer, after they had served more than six months. We must examine what additional steps can be taken to reverse the apparent toughening of the Syrian position against the departure of Syrian Jews.

Maximilian Heller

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Isolate Syria

By Daniel Pipes

PHILADELPHIA — The conviction in London of Nezar Hindawi for an attempt to blow up an Israeli airliner should provide the occasion to inaugurate a new relationship between the West and the leading sponsor of terror in the Middle East and Europe. Britain's dramatic break in diplomatic relations marks the first time that the Syrian Government has paid a price for its activities; it must not be the last. Britain, the United States and their allies should begin a concerted campaign to isolate Syria.

Both the British action and the subsequent American and Canadian decisions to withdraw their ambassadors from Damascus run contrary to a well-established record of Western behavior toward Hafez al-Assad, the Syrian strongman. In the past, vacillation and an unwillingness to stand up to Mr. Assad have been the rule.

The United States, for example, has long known about Syria's deep involvement in sponsoring terrorism. At the time of the October 1983 bombing of the Marine barracks in Beirut, President Reagan and his Secretaries of State and Defense all publicly pinned the blame on Damascus. But American leaders have resisted drawing the obvious conclusion — that Syria is an enemy and must be dealt with accordingly. Instead, they have advocated a "dialogue" through

which, in the words of Richard W. Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, we would seek to "convince Syria that supporting terrorism is not in its interest."

Seen against this background, the major question that now arises is whether the British and American decisions signal a long-term shift in policy or whether we will see a reversion to the old habit of vacillation. American actions in the next days are critical if the British move is to be more than a onetime event. A policy is needed that builds on British boldness by making it clear to Mr. Assad that continued use of terror will have increasing costs.

This can be accomplished by taking steps to isolate Syria. In increasing order of severity, these might include a ban on selling military or police equipment, stricter visa requirements, restrictions on travel to Syria, a reduction in the size of Syrian diplomatic missions, a break in diplomatic relations, denial of loans, the ending of air transport links and a trade boycott.

Coordination among the major Western powers is critical to the success of such measures. No country can isolate a foreign state on its own; vain United States efforts to boycott Cuba have made this painfully clear. Fortunately, coordination among the allies now looks more likely, for after years of contrary policies there are indications that the United States and its allies agree on ways to deal with states that sponsor terrorism. This was a principal result of the raid on Libya last April.

Useful as these steps would be, it has to be remembered that Syria's extensive ties to the Soviet Union will permit it to survive a break by the West. This points to the need for a second way of isolating Damascus. The enormously powerful bully pulpit of our Government can be used to make Syrian mischief known. If the spotlight that was focused earlier this year on Libya were turned on Syria, the result would be a far-reaching awareness of Syria's role as a sponsor of terror and an aggressor toward its neighbors. It also would make clear that Syria stands, along with Iran and Libya, as a member of the anti-American triad in the Middle East.

There are few risks attached to isolating Syria. The country is deeply isolated within its region because all its neighbors fear its power. Libya was the only state to respond to Syrian pleas for support; no other Arab state has taken steps against Britain. And Syria is already a defacto member of the Soviet bloc, so there is no question of pushing it further into Moscow's arms.

Skeptics claimed the United States policy toward Libya would lead to a cycle of violence, make Muammar el-Qaddafi a hero in the Middle East and alienate the European allies. They were wrong on all counts, and the stringent policies that isolated Colonel Qaddafi are even more urgently needed for Mr. Assad.

OBSERVER | Russell Baker

Could Be Worse

Our Congressman is doing false advertising. Every few minutes our television entertainment stops for one of his commercials, each of which lasts 30 seconds and states that he will provide leadership if re-elected.

I know for certain that he will not provide leadership if re-elected. He is now in his third term in the House of Representatives, an institution in which, at most, a dozen people can at any one time reach positions to provide leadership. Nobody reaches those positions in just three or four terms.

Moreover, my Congressman is a Republican. His commercials are uninformative on this point, as are most of the commercials for other campaigners clogging the TV screen. Apparently, being identified with a known political party disgusts people to whom these human political products are peddled, so the ad agencies omit the brand names.

Being a Republican is one more reason my Congressman is not going to provide leadership if re-elected. He is going to provide loyal followership for President Reagan, thus ingratiating himself with the human moneybags who can afford to keep marketing him through the next 10 elections, thus keeping him a Congressman until the next century when he may finally become old enough to provide a little leadership.

So the fellow is obviously a fraud. I may vote for him anyhow.

For one thing, the fraud is only minor and it will be a bleak day for democracy when petty fraud becomes a bar to public office. The forces of purity are already so entrenched that it's almost impossible anymore to get a traffic ticket fixed. This probably accounts for the steady decline in voting turnout. What's the point of voting for these birds if they're just going to rant and pound themselves on the chest about their ineffability every time you need a favor?

I don't know who's running against my Congressman. Presumably it is a Democrat. This would explain why TV hasn't pounded his, her or its name into my skull. To be sure, Democrats are not dead broke, but neither are they rich enough to make you curse the day you became a television addict.

You may say this is why I should vote for this unheard-of candidate instead of the faker. Wrong. Having followed politics since Nixon was a pup, I have learned that it is almost always a mistake to vote for a candidate nobody ever heard of.

Though you know a candidate to be a demagogue, a liar, a half-wit, a jury

I know our Congressman won't provide leadership

suborner — choose him over the candidate you have never heard of, for he can neither surprise nor disappoint you, whereas Mr. Anonymous may turn out to be a Pandora's Box awaiting only a surprise victory at the polls to spring open and afflict the earth.

Finally, to my Congressman's credit, he has not challenged anybody to competitive urinalysis, at least not in any of his marketing materials issued to date. In an election campaign like this year's, such forbearance suggests a man of high character, or at least a reluctance to hold his constituents in utter contempt.

It was H.L. Mencken, I believe, who said there was only one way to look on a politician, and that was down. This view of public affairs has been reversed around the country in the present campaign. Now the politicians have decided that down is the only way to look on the voters.

As a result, the country is flooded with 30-second commercials in which people who fancy themselves superior enough to govern us have abandoned their own dignity and self-respect to humor what they obviously conceive to be an imbecilic public's gullibility. This is a year when few candidates are standing for anything except election. To justify that, candidates are creating the impression that while they themselves may be devoid of dignity and self-respect, their opponents are even worse, because they are liars, cheats, wastrels, Communist sympathizers and if not actually drug fiends, at least soft on drug peddlers.

This sort of campaign degrades the candidates and insults the electorate. Considering the changes television has made in campaigning, maybe this is natural. When the electorate becomes just another TV audience, perhaps it's inevitable that public discourse will become either farce or cheap melodrama.

My Congressman, confining himself to the small fraud of promising leadership he knows he can't deliver, may not glisten like a diamond in a pig's snout, but in a year like this could look a lot worse.

Daniel Pipes is director of the Foreign Policy Research Institute and editor of *Orbis*, a foreign policy quarterly.

Daniel Pipes

Assad's Cunning Game

The Syrian leader releases a U.S. hostage—at just the right time for Syria.

The release of David Jacobsen, one of the American hostages in Lebanon, is part of a cunning ploy by which Syrian ruler Hafez Assad attacks American interests with impunity.

The game has four invariable steps. First, the Syrian government engages in some outrageous act, usually involving terrorism, against Americans. Second, the U.S. government indicates strong displeasure, or even takes action against Damascus. Third—and this is the key—Assad arranges the release of captive Americans or makes publicized gestures to that end. Fourth, American public opinion is diverted and Washington scraps plans to retaliate against Syria.

This unmistakable pattern of Syrian behavior first appeared in July 1983. It followed two severe differences with the United States. In April 1983, Damascus was linked to the bombing of the U.S. Embassy in Beirut. A month later, it undermined the Lebanese-Israeli accord arranged by Secretary of State Shultz. To blunt U.S. anger, Assad released David Dodge, the acting president of the American University of Beirut. And to make sure Assad personally got credit for Dodge's release, the White House was compelled to issue a statement that the United States was "grateful" for the "humanitarian" efforts of Hafez Assad and his brother Rif'at.

Tensions rose again in late 1983, after top American politicians publicly accused the Syrian government of complicity in the bombing of the U.S. Marine barracks in Beirut. A few weeks later, U.S. planes attacked Syrian positions in Lebanon. The Syrian capture of a U.S. Navy pilot, Lt. Robert O. Goodman, was exploited with great skill to prevent any further U.S. military action against Syria. Goodman spent only a month in a Syrian jail, then was handed over to the Rev. Jesse Jackson. This was a Syrian stroke of genius that capitalized simultaneously on racial tensions, domestic opposition to American use of force and the U.S. presidential campaign. So expert was Syrian manipulation of U.S. public opinion that one analyst speculated that Assad was receiving Soviet advice. Goodman served the purpose well; the United States has not used force against Syria again.

Assad manipulated American opinion a third time in June 1985, when a TWA airliner was hijacked to Beirut. As it became clear that a Syrian-backed group, Amal, was holding the Americans, anti-Syrian sentiment grew in the United States. To head off trouble, the Assad government got the airplane

released. If Washington had plans to punish Syria, these were canceled, for as a White House official observed, "the Syrians were the ones who made it happen."

Investigations into last December's Vienna and Rome airport massacres reveal Syrian government complicity; again, Assad felt the weight of U.S. displeasure. Again he resorted to the same technique—only this time he did not even have to deliver an American hostage. The mere bustle of activity sufficed to appease Americans. As a result, Assad escaped unscathed. In contrast, Moammar Gadhafi—who never dissembles or plays games like Assad—felt the brunt of U.S. anger for his part in the airport massacres.

This brings us to the most recent case. On Oct. 24, Nizar Hindawi was convicted in London of attempting to blow up an El Al airplane. Moments later, the British government broke relations with Syria, citing the proven collusion of the Assad government with Hindawi. The United States and Canada immediately withdrew their ambassadors from Damascus (in part, perhaps, because so many of their citizens were on the El Al plane). Amid discussion of further action against Syria, word came (almost predictably) that Jacobsen had been let go. No doubt, Assad hopes this will end his current confrontation with the United States.

While the Syrians are not the only ones to time precisely the return of hostages—remember how the 52 Americans in Iran were released at the very instant of Ronald Reagan's inauguration—Assad has refined this technique to a fine art. And so long as it benefits him, he will continue to use it. Of course, to keep the game going, he needs new hostages; thus, three more Americans were kidnapped in Lebanon in the last two months.

How can we stop him? Assad's clever use of the American hostages shows us that he has power over their fates. He can, therefore, be held responsible for their safety. The U.S. government needs to state that just as it held the Soviet authorities to account for Nicholas Daniloff, so must Syria answer for the American hostages in Lebanon. By making Assad liable, we change the rules of the game; rather than gain by release of the hostages, he pays a price for keeping them. This way, Damascus no longer benefits by manipulating the lives of Americans.

The writer is director of the Foreign Policy Research Institute in Philadelphia.

New law a tax terror on U.S. firms in Syria

By Damon Thompson
THE WASHINGTON TIMES

A little-known measure passed in the waning hours of the 99th Congress would strip U.S. companies operating in Syria and other nations supporting terrorism of nearly \$70 million in tax breaks over the next three years.

The provision, attached by Sen. Charles Grassley, Iowa Republican, to a \$12 billion deficit-cutting bill, apparently drew heated opposition from the Treasury Department and major oil companies.

The measure, which takes effect Jan. 1, denies credits for foreign taxes paid and eliminates deferral of taxes for income attributable to activities in foreign countries that either support terrorism or have governments not recognized by the United States.

It affects six nations — Angola, Cuba, Iran, Libya, South Yemen and Syria — countries that are on a list of "hostile" governments compiled under the Export Administration Act by the State and Commerce departments and the CIA.

The provision also would apply to any other country that appears on subsequent lists.

Under current law, companies doing business in those countries were able to subtract dollar-for-dollar from their U.S. tax bills what they pay in foreign taxes.

"The law was intended to avoid double taxation, but it is now indirectly financing state-sponsored terrorism," said a Grassley aide. "The senator and Congress felt American tax policy should conform with American foreign policy."

Congressional budget experts estimate that the measure would boost tax receipts \$14 million in fiscal 1987, \$26 million in 1988 and \$28 million in fiscal 1989.

It is expected to principally affect Angola and Syria, since the United States already prohibits companies from doing business in Libya and Cuba and has only limited trade with Iran and South Yemen.

The Reagan administration took no official position on the measure, but Treasury Department officials privately opposed it, sources said.

Treasury officials reportedly feared such action would set a bad precedent and open the door for other countries to take similar action against the United States.

Sources said Treasury officials also argued that the measure improperly used tax policy to make foreign policy.

A Treasury spokesman declined to comment, saying: "Generally, we do not have any comment on what was or wasn't said behind closed doors."

Major oil companies, which last year were spared an estimated \$2 billion in U.S. taxes through foreign credits, also mounted an intense lobbying effort against the measure.

"It certainly is not the foreign policy of the United States to punish firms doing business in Angola," said Chuck Wooton, a spokesman for Chevron Inc., whose Gulf subsidiary operates in Angola.

"Chevron is there legally and we are viewed as being a positive element," he said. "It's very difficult for international businesses to plan and function abroad when this kind of measure can operate randomly."

Meanwhile, 29 members of the Senate on Friday signed a letter to President Reagan urging the United States to halt trade and cut off all air and sea links with Syria because of that nation's role in terrorist incidents.

The senators said the United States should invoke the same economic sanctions imposed against Libya because Syria's role in terrorism is "compelling."

The senators cited the decision by Britain to break diplomatic relations with Syria after stating it had conclusive evidence that Syria was involved in a failed plot to bomb an El Al jetliner in London.

A week earlier, the United States withdrew its ambassador to Damascus the same day Britain broke relations with Syria.

Syria's Economic Crisis Seen Affecting Iran Ties

SYRIA, From A27

ave the way for an Arab summit meeting later this year and help end the Iran-Iraq war.

But among Arab oil states in the Persian Gulf region, only Saudi Arabia has been honoring commitments of financial assistance made at a summit meeting of the Arab League in Baghdad in 1978. Syria gets about \$540 million a year from the Saudis under the 10-year Baghdad agreement, which expires next year. Western diplomats here said Saudi Arabia recently made a payment of \$175 million, but they said Syria is still owed about \$1.8 billion in payments pledged by other countries.

Drastic measures to conserve scarce resources through restrictions on imports and use of foreign currency, and a stringent anticorruption drive have hampered private initiative and failed to attract the capital of wealthy Syrians deposited abroad—estimated at \$52 billion. Heavy military spending has taken up much of the available revenue.

Syrian newspapers are filled with stories on field rodents affecting the crops. "It is almost funny," one economic specialist said, "but field mice are a problem Syria cannot afford because it doesn't have the money to buy pesticides."

The state-owned Syronix plant, which used to assemble television sets and was one of Syria's major factories, is now reduced to manufacturing dolls because there is no hard currency to import badly needed spare parts for its machinery.

The kidnapping of American writer Charles Glass last month by Iranian-linked operatives in a Syrian-controlled area of Lebanon, an act that the kidnapers said was intended to show Iranian discontent over Syria's recent flirtation with Iraq, brought into sharper focus the underlying contradictions in the Damascus-Tehran association.

"This is the most unnatural relationship in the Middle East—the most secular state, Syria, and the most religious, Iran," said a western diplomat.

Jordan, a staunch supporter of Iraq, has sought to reconcile it with its political foe Syria, the only major Arab backer of Iran in the gulf war. Confirmation by Jordanian Prime Minister Zeid Rifai last week that Jordan's King Hussein had hosted a secret meeting between the Syrian

and Iraqi leaders in the Jordanian desert in April made official, probably with the approval of Syria, rumors reported two months ago.

The disclosure was seen here as part of Syria's efforts to restrain Iran from exceeding specific limits in its activities in Lebanon and the region. A visit by Syrian Foreign Minister Farouk Charaa to Tehran last Sunday, however, appeared aimed at reassuring Iranian leaders of Syria's continued support.

It has often been said that the only thing Syria and Iran have in common is their dislike for Iraqi President Saddam Hussein. Arab concern for at least a show of cohesion—what one observer described as "getting Assad to smile instead of glare at Saddam Hussein," no matter how superficially—may help Syria financially.

However, it is not only enmity to Saddam Hussein that has helped cement an otherwise unlikely alliance between Syria and Iran. Syria owes Iran an estimated \$2.3 billion for oil, not counting amounts given as gifts. Iran provided Syria with about 6 million tons of oil annually from 1982 to 1985.

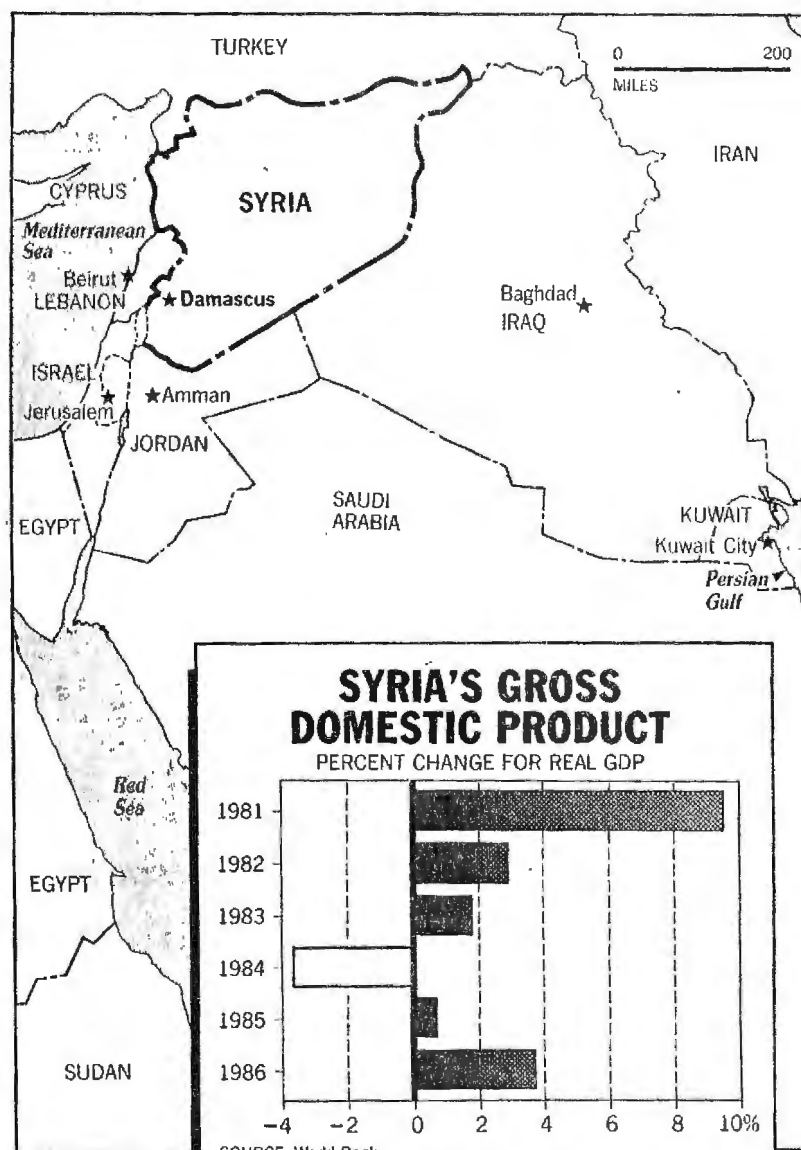
Well-informed diplomatic sources here said a new oil agreement concluded with Iran in April secures for Syria 1 million tons of free oil and 2 million tons at 25 percent less than the OPEC price over a year.

There has been no indication whether laborious consultations with an Iranian economic delegation that came here in mid-June has led to any barter arrangements to reduce Syria's huge oil debt. Phosphates, textiles and a big part of Syria's cotton production are bartered for goods from East Bloc countries.

Syria's foreign debt to the West is estimated at \$3.5 billion, and its debt to the Soviet Union, largely for military arms, is estimated at \$15 billion.

Sluggish industrial production, mismanagement, over-staffed government-run plants, an ailing agricultural sector and poor marketing techniques all help to make it unlikely that Syria can stage an early economic recovery, analysts say. The country is increasingly burdened by an inflation rate that experts put at 125 percent—although officially it is said to be only 40 percent.

One hopeful sector, however, is oil. An important discovery in 1984 by Pecten Ltd., a U.S. subsidiary of Shell Oil Co., has increased the



BY TOBEY AND LARRY FOGEL—THE WASHINGTON POST

duction by at least one-third and Syria hopes to become almost self-sufficient in a few years, according to oil industry sources.

"If Syria can get by without Iranian oil, this would be even better than an economic solution and it would drastically improve its political leverage," one oil expert said. But most observers agree that while the balance of payments for oil eventually will become positive, it will not get Syria out of its economic hole.

"Syria will probably maintain good relations with Iran," a Lebanese columnist predicted, but he added that it would probably urge Iran to lower its profile in Lebanon and halt activities there that could damage Syria's image and credibility.

Despite wide speculation that there would be a showdown be-

tween Syrian troops in Lebanon and members of the militant, Iranian-backed Hezbollah, there has been none so far. Syria's wishes to polish a tarnished international image and to distance itself from Iranian-sponsored terrorism and hostage-taking in Lebanon, coupled with a resolve to prove it is still ringmaster in the Lebanese arena, are not to be taken lightly, Syrian sources insist.

"Maybe at some point, the costs the Iranians impose on Syria in Lebanon are going to be more important in Syrian eyes than what the Iranians are doing to the Iraqis, but only then will there be a shift in alliances," said a senior western diplomat.

Syrian noises about reconciliation with Iraq are expected to keep Iran wary of Arab moves to isolate it and in line with Syria's claim to influence in Lebanon.

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A Deal With Syria?

By Benjamin Netanyahu

WASHINGTON — *Cui bono?* Who profits, the Romans would ask whenever the perpetrators of an act refused to step forward. Of the recent attacks on American, French and Israeli servicemen, we may ask: Who would benefit if Western forces were pushed out of Lebanon, indeed out of the Middle East altogether? They are Syria, and, looming behind it, the Soviet Union. Syria has repeatedly demanded the ouster of "United States and NATO" forces. Besides local proxies, Syria has at its disposal fanatical Iranians deliberately imported for suicidal missions.

Damascus has both motives and means to wage a systematic campaign of terrorism — in fact, long experience in doing so.

Yet some continue to promote a "deal" with Syria. By giving President Hafez al-Assad what they claim he wants from Israel (the Golan Heights), he would presumably become more flexible in Lebanon. He may be ruthless, but he is also "a man one can deal with." America should now "talk" with Syria, as if Washington has not sent diplomat after diplomat to Damascus. The assumption here is that Syria can be wooed and won, or at least that Syrian goals are limited and can be met.

Such a prescription can be based

only on a complete misunderstanding of the real Syria and its political objectives. This is why some confidently predicted that Syria would

withdraw its troops when Israel agreed to do so. Instead, Syria moved in more men and matériel. Then it was suggested that what Syria really wanted was to have a "say" in Lebanon because of "legitimate security interests." It soon became clear that Syria's aim — methodically pursued for decades — remains the incorporation of Lebanon into a Greater Syria.

Syria regards Jordan and Israel as also belonging to Greater Syria. But Israel prevents Syria from devouring the rest of Lebanon and from swallowing Jordan (in 1970, an Israeli warning stopped such a Syrian attempt cold). The Syrians must therefore overcome Israel. Of course, first they would like to repossess the

strategic Golan; the Syrians went to war against Israel twice, in 1948 and 1967, when the Golan was firmly in their hands. Further, Syria does not want creation of another Arab state; as Mr. Assad has said, "Palestine is merely part of Southern Syria." Thus, Israel must be destroyed so that its territory may be absorbed so that Syria may dispose freely of Lebanon and Jordan.

Neither the obsession with Greater Syria nor the fanaticism of the regime are fully grasped in the West. With his bland exterior, Mr. Assad is not good copy compared to his ally the Ayatollah Ruhollah Khomeini. But in cold-blooded murder, he is his equal. In the Syrian city of Hama, Mr. Assad's army reportedly killed as many as 20,000 civilians and turned "half the town into a parking lot," according to The New York Times.

Even more telling, the regime inculcates brutality as a social good. After Syrian soldiers murdered and mutilated Israeli P.O.W.'s in the Yom Kippur War, Syrian Defense Minister Mustafa Tlas glowingly awarded the Medal of the Republic to "the outstanding recruit from Aleppo" who slaughtered 28 Jewish soldiers like sheep. He butchered three of them with an ax and decapitated them. He broke the neck of another and devoured his flesh." (The full speech was reprinted in The Official Gazette of Syria on July 11, 1974.)

More recently, the Syrian Government observed the 10th anniversary of the Yom Kippur War. On Oct. 5, it broadcast on Syrian television a program that a Western audience would find unbelievable. As Mr. Assad and his colleagues looked on approvingly, girls from the Baath Youth Militia held up live snakes. Then the girls bit the snakes and ate them, as he applauded enthusiastically. This was followed by militiamen who stabbed puppies and drank their blood.

What kind of "deal" can be struck with such people, for whom truck-bomb massacres are standard operating procedure? The Syrians reneged on their promise to leave Lebanon (like the Palestine Liberation Organization, which left Beirut under the peacekeepers' protection, then reinfilitrated and joined attacks on these forces). Such adversaries will honor agreements only with those whose strength and resolve are not in doubt. People who counsel appeasement of Syria in the coin of Lebanese sovereignty or Israeli security would weaken the only local power Syria fears, and one that is an unshakable American ally — Israel.

In the 1930's, Britain was counseled to weaken its ally France in the belief that this would appease an increasingly powerful Germany. Winston Churchill replied: "We go on perpetually asking the French to weaken themselves. I cannot imagine a more dangerous policy. There is something to be said for isolation; there is something to be said for alliances. But there is nothing to be said for weakening the power with whom you would be in alliance."

Syrians Have to Be Shown U.S., Israel Won't Back Off

L.A. TIMES: 6-19-83

By BENJAMIN NETANYAHU

In recent weeks Syria has threatened to "punish" the Lebanese government and parliament for ending the state of war with Israel. It has built up its forces enormously in the Bekaa Valley. It has attempted to shoot down Israeli reconnaissance planes over Lebanon. It has incited its collaborators inside Lebanon to overthrow that country's legitimate government. It has sponsored a war of attrition by the Palestine Liberation Organization and leftist Lebanese allies against Israeli forces. And recently it has threatened to spill "American blood" if hostilities break out.

This warlike behavior has caused concern in the United States, in Israel, and most of all, in Lebanon itself. For it is the Lebanese, after all, who have had a long and painful experience of Syrian "peacekeeping."

Syria's behavior makes sense only if we understand its attitudes toward Lebanon and Israel. For Syria, Lebanon is a "lost province," lopped off by the French during the mandate period. Some too quickly assume that Syria is ready to abandon its claim to Lebanon, but the Syrians themselves exhibit no such inclination. Syrian maps continue to show Lebanon as part of Greater Syria. The Syrian government even refuses to send an ambassador to Beirut, as such an action would imply recognition of Lebanon as a separate, and sovereign state. In 1976, it should be recalled, Syrian forces entered Lebanon before they received the Arab League's sanction, having first engineered the "consent" of the moribund government in Beirut.

Hafez Assad's regime is a ruthless dictatorship run by, and for, a small Alawite officer corps. The Alawite minority, precisely because it arouses such opposition among the Sunni majority (some Muslims do not even regard Alawites as true Muslims), must be *plus royaliste que le roi*, more extreme, more demanding in its expression of Syrian claims lest it arouse even more opposition among the Syrian populace.

And the record of Syria's rulers leaves little cause for optimism. Assad himself has said that "historically Lebanon and Syria are one country." Abdel Halim Khaddam, his dutiful foreign minister, has echoed, "Lebanon is a part of Syria. We shall counter any attempt at separatism, we shall reclaim Lebanon, along with its mountains and its coastal areas."

Of course, for Western audiences the Syrians mute such sentiments. They accompany their present refusal to leave Lebanon with obvious pretexts. They claimed that the agreement between Israel and Lebanon would: "pose a grave danger to Syria's security" and would "infringe on Lebanese sovereignty." Both claims are as absurd as they are disingenuous. As to the presumed "grave danger to Syria's security," it is hard to see how the withdrawal of Israeli forces from Lebanon would threaten "Syria's security." After all, these forces will not merely be leaving Lebanon but moving further away from Syria, and from a key route that leads straight to Damascus. And once Israel is out, just what is there in Lebanon that could threaten Syria? There is no Lebanese army capable even of threatening, let alone attacking, Syria. The Syrians are simply intent on holding as much of Lebanon as they can.

As for "Lebanon's sovereignty," about which Damascus suddenly professes concern, it is precisely the reassertion of that sovereignty that offends Syria. "What really angers Assad," a senior Lebanese official has noted, "is that for the first time we have taken a Lebanese decision." Can it be that 50 Israeli soldiers operating, as part of the Israeli-Lebanese agreement, under Lebanese command would offend the integrity of Lebanon, while 50,000 Syrian troops occupying eastern Lebanon against the wishes of its people and government constitute no such offense?

Whatever rationale it may offer, Syria could not possibly dare to maintain its grip on Lebanon—after last year's defeat at the hands of Israel—without the backing of the Soviet Union. This is partly due to the infusion of Soviet materiel and personnel into the area, so that Syria is now better armed than it was a year ago. Most important has been the Soviets' placement of SAM-5 missiles in Syria, missiles that have never before been installed outside the Soviet Union and that threaten the airspace of Lebanon, northern Israel, southern Turkey and the eastern Mediterranean.

Syria and the Soviet Union are linked by a "Treaty of Friendship," which is essentially a rogues' pact to serve their coinciding interests. The Syrians want ultimately to eliminate Israel, which they regard as an intolerable intrusion in the midst of Arabdom. The Soviets want to dislodge the United States from its positions in the region. Both Syria and the Soviet Union need to weaken Israel to attain their respective goals. The Syrians see such a weakening as a necessary prelude to the final assault against Israel that would enhance their position in the Arab world. For the Soviets, weakening Israel helps remove the most formidable obstacle to their designs on the area. The Soviets recognize that Israel is an organic ally of the West that is both competent and willing to defend itself, and in so doing, to frustrate Soviet designs on Israel's neighbors.

Some agree that the Syrians will not dare engage in large-scale hostilities. Egypt appears out of the picture; Jordan would hardly wish to join Assad, who openly threatens the Hashemite regime; Iraq is otherwise engaged. But the Syrians seek eventual "strategic parity" with Israel. In time they intend to go it alone. One doubts that they will succeed, despite their enormous quantities of Soviet weaponry and personnel. The problem, however, is that they may think that there is a chance of success, or at least of a military standoff in a limited engagement with Israel. They may also believe that they can wear down Israeli resolve by a war of attrition and induce Israel to pull out of Lebanon unilaterally. They fail to appreciate the limits of Israel's patience and the durability of its commitment to a secure northern border.

The threat of war, then, hinges as much on Syrian perceptions as on anything else. However careful Syria's plans may be, the danger of miscalculation is grave. We must do everything possible to demonstrate the joint Israeli and American resolve to the Syrians and their Soviet backers. If Syria becomes convinced of Western firmness, and more realistic about the limits of Soviet backing, it may ultimately agree to a peaceful withdrawal from Lebanon.

Benjamin Netanyahu is minister of the Israeli embassy in Washington.

NEW YORK TIMES 6 FEB 1987 Pg.6

Italians See Links to Syria in Airport Attack of 1985

By ROBERTO SURO

Special to The New York Times

ROME, Feb. 5 — An Italian prosecutor's report contends that a 1985 attack on the Rome airport was planned in Syria and carried out by the Abu Nidal terrorist organization, according to senior judicial officials.

The report charges that the four gunmen who conducted the attack had intended to seize an Israeli airliner and blow it up over Tel Aviv but were foiled when security men opened fire on them, the officials said.

The Abu Nidal group was also responsible for the attack on the Vienna airport, which took place simultaneously on Dec. 27, 1985, according to the report filed earlier this week but still covered by judicial secrecy.

A total of 20 people died in the two attacks, including five Americans, and more than 110 persons were wounded.

Requests That 3 Be Charged

In his report the Public Prosecutor, Domenico Sica, requests that three people be charged with perpetrating a massacre. His recommendations are being reviewed by a judge, who will decide whether to call a trial.

Mr. Sica's report does not charge direct involvement by Syrian Government officials in the airport attack, although it notes evidence of links with the Abu Nidal group, according to a magistrate familiar with the document.

A parallel investigation into several terrorist actions possibly organized by Abu Nidal in Italy is still under way, and that inquiry is trying to determine whether Syria is supporting the group,

said officials involved in anti-terrorism efforts.

Italian and American officials contended shortly after the 1985 attacks that the attacks had been carried out by the Abu Nidal organization and that there was strong evidence of Syrian support for the group. Syria denied any involvement.

Confessions by Survivor

Many of the allegations in Mr. Sica's report are based on confessions by the one survivor of the squad that attacked the Rome airport, Ibrahim Mohammed Khaled, 19 years old. He told investigators that he had joined Al Fatah, the largest component of the Palestine Liberation Organization, when he was 11, but then shifted his allegiances to the Abu Nidal group after Israel's 1982 invasion of Lebanon.

According to judicial officials, Mr. Khaled provided a thorough description of Abu Nidal's headquarters in the Rukh al-Din quarter of Damascus, where terrorist actions were planned and begun.

Mr. Khaled, who maintained he had contacts with the intelligence branch of the Syrian Air Force, also described Abu Nidal's training camps in a part of the Bekaa region of Lebanon under Syrian Army control and he alleged that operations ranging from single assassinations to large scale attacks were carefully rehearsed there, the officials said.

Members in Europe

During training Mr. Khaled said Abu Nidal operatives were repeatedly told that they would mount a series of ter-

rorist actions that would prompt a world war.

Mr. Sica's report charges that the Abu Nidal group is financed through extortion against the rich Arabian Gulf governments, and that it has a large number of resident members in Europe, usually business executives and students, who provide local support for the group's operations, investigators said.

Officials familiar with Mr. Khaled's statements and the prosecutor's report said the repentant terrorist also provided detailed information on Abu Nidal's operations in Europe, much of which has been independently confirmed.

The size and sophistication of the network revealed by Mr. Khaled has surprised law enforcement officers. One official said, "No one had imagined that Abu Nidal had so many safe houses and so arms caches in so many places. It is frightening."

Mr. Khaled said he had been involved in Abu Nidal operations both in France and in Germany, according to officials who said his statements gained credibility when he described a hiding place in a Paris cemetery where the police found a bomb timer hidden inside a toothpaste tube.

Buried Leather Bag

Investigators in Rome said Mr. Khaled took them to the Villa Glori, a park in the northern part of the city, to show them the spot where the weapons used in the airport attack had been buried. A bit of digging uncovered a leather bag where the investigators said they found security seals from

CONTINUED BELOW

hand grenades, gun cotton and newspapers still covered with grease from Kalashnikov rifles.

Mr. Khaled said he was told where to find the weapons by Rashid al-Hamieda, who he said had coordinated the Rome airport attack and had also been involved in a 1982 raid on Rome's main synagogue, in which a 2-year-old boy was killed. Mr. Hamieda's whereabouts are unknown.

According to investigators, Mr. Hamieda's most important role was to act as a liaison between the commando squad sent out from Damascus to conduct the attack and resident sympathizers who maintained the group's network of safe houses and arms caches here. Mr. Khaled said he never had any contact with the local branch of the organization.

In addition to Mr. Khaled and Mr.

Hamieda, the prosecutor's report seeks an indictment against Abu Nidal, a shadowy figure whose real name is Sabry al-Banna.

The report maintains that Mr. Hamieda was probably present during the airport attack and gave the signal for it to begin. An official involved in the investigation said it appeared that Mr. Hamieda was supposed to undertake a diversionary action elsewhere in the international terminal while the four-man guerrilla team tried to round up Americans and Israelis before forcing their way onto an El Al jetliner.

The plan went astray when El Al security guards opened fire on the four guerrillas, killing three of them and seriously wounding Mr. Khaled, who was traveling under documents identifying him as Abdallah Sarhan.

NEW YORK TIMES 6 FEBRUARY 1987 Pg.8

438 Protesters Are Arrested At Nevada Nuclear Test Site

By ROBERT LINDSEY

Special to The New York Times

MERCURY, Nev., Feb. 5 — More than 400 people were arrested today when they tried to enter the nation's nuclear proving grounds here after nearly 2,000 demonstrators, including six members of Congress, held a rally to protest nuclear weapons testing.

In a scene that at times recalled the antiwar protests of the 1960's, 438 demonstrators, some carrying American flags, were arrested as they marched past the entrance to the 1,350-square-mile proving grounds. Among those arrested were the astronomer Carl Sagan and the actors Martin Sheen, Kris Kristofferson and Robert Blake.

The protesters who were arrested were taken in buses to nearby Beatty, Nev., where they were booked and released. A spokesman for the Department of Energy said 433 of those arrested were charged with trespassing and five were charged with resisting arrest. They will face trial at a later date.

The march came after a rally protesting the Reagan Administration's resumption of nuclear weapons testing despite a Soviet moratorium on the testing of new weapons. The demonstration at the desert test site 65 miles north of Las Vegas was organized by a consortium of groups that included Greenpeace, the American Peace Test, Physicians for Social Responsibility and the Peace Committee of the American Public Health Association.

Test Moved Up Two Days

The demonstration was initially called to protest the nation's first nuclear test of the year, which had been scheduled for today. But the Department of Energy rescheduled the test, in part because of the demonstration, and detonated the weapon Tuesday.

Standing beneath a banner that read "Nuremberg Requires That We Act," Representative Pat Schroeder, a Colo-

rado Democrat, assailed what she called President Reagan's "Rambo-type foreign policy."

She said, "I think the President's pushing the test two days ahead of schedule when the American people didn't want to test, when Congress didn't want to test, when the world didn't want to test, was the most arrogant exercise of power I've seen in a long time."

Five other Democratic members of Congress also attended: Representatives Thomas J. Downey of Suffolk, Mike Lowry of Washington and Jim Bates, Leon E. Panetta and Barbara Boxer of California. They left before the demonstrators entered the test site.

Their Message Is Being Heard

"We came basically to make sure that the people protesting here know they are not alone, that their message is being heard in Washington," Mr. Downey said in an interview.

One demonstrator, Hugh DeWitt, a physicist at the Lawrence Livermore Laboratory in California, said he and other technical specialists here had concluded from seismic measurements that Tuesday's test was "of extremely low yield, equivalent to less than five tons of TNT," far smaller than any other announced test.

"Either it completely fizzled or it was experimental in nature," he said.

Owen Chamberlin, a University of California professor and winner of the 1959 Nobel Prize for Physics, said he was puzzled not only that so small a weapon had been tested, but also that "they had gone out of their way to make an announcement about it." Such a step, he suggested, was likely to goad the Soviet Union into ending its 18-month moratorium on nuclear testing.

A Highly Organized Protest

Although today's protest scene at the desert proving ground was reminiscent

of the 1960's, it was unlike the often disorganized, spontaneous peace demonstrations of that era and, indeed, was marketed with a promotional flair befitting Madison Avenue.

In recent weeks, news organizations have received numerous announcements and telephone calls about the event. Representatives of the sponsoring groups have appeared on network television shows in recent weeks, and today's arrests, which took place at 10 A.M., Pacific standard time, were timed to gain maximum publicity.

"Why do you think they scheduled the arrests at 10 o'clock?" said Don Oliver, a correspondent for NBC News. "So they could make the evening news."

U.S. Nuclear Test Defended

Special to The New York Times

GENEVA, Feb. 5 — Kenneth L. Adelman, director of the United States Arms Control and Disarmament Agency, today defended the decision to conduct a nuclear test Tuesday despite warnings that the Soviet Union would end a self-imposed moratorium on nuclear testing with the first United States test of this year.

"If the Soviets want to resume tests, as I understand that they do, let them resume tests," he said.

Mr. Adelman also asserted that the timing of the test, which had initially been scheduled for today, was not connected with the start Tuesday of the 40-nation Geneva Conference. Soviet officials implied that the test was "cynically timed" to coincide with the opening of the conference.

Soviet officials here echoed comments from Moscow that the Soviet Union would resume nuclear testing, but would only say that the tests would begin again at an "appropriate time."



FOR YOUR INFORMATION

SYRIAN-SUPPORTED TERRORISM

1. Those who toy with the notion that Syria has done penitence for its past involvement with and sponsorship of international terrorism would be wise to reflect on last week's PLO attack on northern Israel. At a time when Syria is doing all it can to sanitize its image, damaged by proof of Syria's active complicity in international acts of terror, Syrian-backed terrorism continues.

2. The attack in northern Israel last week, carried out by a terrorist who crossed the border by hang-glider, killing six Israeli soldiers and wounding seven others, is the most recent evidence of continued Syrian support for terrorism:

- * Ahmed Jibril's "Popular Front for the Liberation of Palestine - General Command" claimed responsibility for the attack and issued its announcement from its headquarters in Damascus.

- * The PLO propaganda bureau, WAFA, also located in Damascus, declared that the action was a response to the calls for capitulation emanating lately from the Arab world.

- * Syrian currency was found in the pockets of one of the terrorists.

- * Radio Damascus officially praised the action, stating that it "proves that the Arab resistance is capable of dealing the heaviest of blows at a time and place that it chooses to do so."

3. On the surface, Syria seemed to take a major step away from terrorism when, a few months ago, it expelled the infamous Abu Nidal and closed his offices in Damascus. Moreover, the freeing of the American journalist, Charles Glass - held hostage in Lebanon for several weeks by Hezbollah extremists - has been attributed to Syrian efforts.

4. Syria, however, has not abandoned its support for terrorism. Abu Nidal and his followers may no longer be operating from Syria, but they maintain bases in the Bekaa Valley and other areas of Lebanon under Syrian control, where they function freely. As seen in the case of Ahmed Jibril, Syria has taken no steps to curb the activities, or close the offices and training camps, of his terrorist group and others, such as the Abu Mussa "Fatah" faction and George Habash's Marxist "Popular Front for the Liberation of Palestine."

5. Despite indications of some differences between Syria and Iran, both countries continue their nefarious cooperation in many spheres. The Iranian-backed Hezbollah freely operates from Syrian-controlled Lebanese territory. Indeed, Syrian spokesmen have frequently stressed the mutually beneficial dimension to Syrian-Iranian relations.

6. Last week's attack near the Israeli town of Kiryat Shemona was only the most recent case of Syrian-backed terrorism against Israel. In early June, a squad of Syrian-controlled "Saiga" terrorists that was planning an attack on the Israeli coastal town of Nahariya was captured at sea. On August 22, a terrorist, who gave himself up to security forces in Southern Lebanon, confessed that Syrian intelligence had forced him to take part in what was to have been a suicide attack against the South Lebanese Army and Israel Defense Forces positions. He explained that others were also compelled by Syrian intelligence officers to take part in acts of sabotage and terrorism, and that those who refused were tortured and, in some cases, executed. In mid-September, an Israeli unit on patrol in the eastern sector of Southern Lebanon was ambushed by a group of 12 terrorists belonging to a left-wing Lebanese organization backed by Syria.

7. Nothing has occurred to show that Syria has substantially reversed its policy following the sanctions that were taken against it by Western nations, after acts of terrorism in London and West Berlin in 1986. For example, early reports concerning the "dismissal" of Brigadier General Muhammed al-Khouli (commander of Syrian Air Force intelligence and one of President Hafez al-Assad's closest aides) for his involvement in the attempted 1986 bombing of an El Al airliner in London have proven to be unfounded. Furthermore, al-Khouli's second-in-command, Lieutenant-Colonel Haitham Said, who directly supervised Nezar Hindawi's attempt to blow up the airliner, was recently promoted to the rank of full Colonel.

8. Recent moves by Western nations to relax their sanctions have been hailed by Syrian spokesmen as "proof" that Syria was completely innocent of complicity in acts of terrorism, and "proof" that the West had come to realize that its actions were harmless and ineffective.

9. When they were in effect, Western sanctions seemed to have caused Syria to lower its profile and proceed more cautiously in its support for terrorism. Wednesday's terrorist attack, however, demonstrates that Syria has quickly reverted to its traditional, destructive roll as a leading patron of international terrorism.

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For further information, contact Asher Naim, Minister for Information, Embassy of Israel, 3514 International Drive, N.W., Washington, D.C. 20008.

December 1, 1987.

*100%
Syria bill*

STATEMENT BY
THOMAS A. DINE, EXECUTIVE DIRECTOR
AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE, (AIPAC)
BEFORE THE
SUBCOMMITTEE ON FOREIGN OPERATIONS
COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES
APRIL 10, 1986

Thank you, Mr. Chairman, for the opportunity to testify before this distinguished committee. Appearing with me is Mr. Douglas Bloomfield, AIPAC's Legislative Director.

The American Israel Public Affairs Committee (AIPAC) appreciates the opportunity to express our views on the proposed Foreign Assistance bill for FY 1987 and the state of U.S.-Israel relations.

AIPAC is a domestic organization of American citizens who value a close and consistently strong partnership between our country and Israel. On our Executive Committee sit the presidents of the 38 major American Jewish organizations representing more than four and one-half million members throughout the United States.

Aid to Israel serves the national interests of the United States because Israel is the one democracy and our most reliable ally in the Middle East. In poll after poll for over thirty years, the American people have resoundingly reaffirmed their sympathy for the Jewish state and their conviction that Israel is a democratic ally of vital importance to the United States. Although the absolute amount of our aid to Israel is substantial, it is in comparative perspective one of the most cost-effective investments that the United States makes in support of its common interests.

U.S. expenditures in support of our European allies in NATO, for example, are more than thirty times the size of our aid to Israel.

Mr. Chairman, we are meeting at a time when the relationship between the United States and Israel is excellent: there is a deep, broad-based partnership which is progressing, day by day, toward a full-fledged political and military alliance.

Nowhere was this more evident than in the aftermath of Libyan sponsored terrorist attacks and our efforts to curb the outlaw Qaddafi regime. Unlike even many of our closest allies, Israel's Prime Minister boldly affirmed his country's unequivocal support for our actions and Israel's readiness to assist us. This is in direct contrast to those in the Arab world who claim our friendship yet repeatedly condemn our initiatives against terrorism or who, like Saudi Arabia, even offer to replenish Qaddafi's coffers as a result of our boycott.

We also know of Israel's own efforts to combat international terrorism at its source. This too is in stark contrast to such Arab regimes as Saudi Arabia which provide Yasir Arafat with the funds--a reported \$114 million this year--and bases, like Jordan and Iraq, from which to carry out terrorist attacks. This is to say nothing of Syria and Libya's support for all the PLO offshoots.

The strategic alliance has blossomed. Israel has undertaken military planning with the United States to meet threats to mutual interests in the Middle East and the eastern Mediterranean.

It has participated in a joint naval exercise with the Sixth Fleet designed to strengthen U.S. antisubmarine warfare capabilities in the

eastern Mediterranean. It has provided access to its ports for regular ship visits by the Sixth Fleet.

It has made facilities available for the storage and maintenance of U.S. materiel for American use in a conflict. It has provided 12 of its Kfir fighter aircraft to the U.S. Navy's Aggressor Squadron to help train American fighter pilots. It has engaged in military training exchanges with the U.S. Marines.

It has entered into formal arrangements to provide access to its sophisticated hospital facilities for U.S. military casualties in a conflict. These facilities have already been used to treat U.S. personnel injured in the bombing of the U.S. Embassy Annex in east Beirut.

X / It has shared with the United States the lessons of its combat experience in Lebanon, where Israel successfully used American equipment against Soviet weapons. It has undertaken joint research and development projects with the Pentagon to build on the technological expertise acquired from decades of conflict. Indeed, Israel has agreed in principle to participate in the Strategic Defense Initiative.

Moreover, Israel's role as an ally of the United States goes well beyond the confines of military cooperation in the Middle East.

X / At the United Nations, Israel voted with the United States on more than 91% of the General Assembly resolutions introduced in the 39th session, the highest rate of cooperation of any country in the world. This contrasts with 38% for Turkey, 33% for Greece--America's NATO allies in the eastern Mediterranean. It also contrasts with 15% for Egypt, 14% for Saudi Arabia and 14% for Jordan--America's so-called friends in the Arab world.

X In the information war, Israel has agreed to install a Voice of America transmitter on its territory to enhance American broadcasts to Soviet Central Asia and Afghanistan, despite the inherent risk of worsening the plight of Soviet Jews. By contrast, America's NATO allies, Greece and Turkey, both refused to host the VOA transmitter because of their unwillingness to endanger their relations with Moscow. Reportedly, Oman has also turned down the United States offer.

In the search for peace with her neighbors, Israel's National Unity Government has taken many bold initiatives in the past year and has worked closely with the United States.

One major step was the decision to accept the risk of withdrawal of troops from Lebanon, in June 1985, in spite of the continued occupation of that country by Syria and in spite of the growth of Syrian-sponsored terrorist cells. It was the hope of the Government of Israel that this courageous step would be followed by a warming of relations with Egypt and an opening of relations with Jordan.

The Prime Minister has repeatedly called for King Hussein to enter negotiations without preconditions on the basis of United Nations Resolutions 242 and 338, and has expressed a readiness to consider any proposal the King might have and to go anywhere to meet him. The Prime Minister has, in his address to the United Nations and elsewhere, extended the hand of friendship to the King. In an effort to help meet the King's preconditions, the Government of Israel was also prepared to accept international accompaniment to the direct negotiations and to sit down with Palestinian participants who were not associated with terror. Unfortunately, the King

continues to refuse direct negotiations with the Jewish state and continues to allow Yasir Arafat to exercise a veto over his actions.

Israel has also heeded Secretary of State Shultz's advice and taken tangible steps to improve the quality of life for the inhabitants of the "West Bank" and Gaza--easing currency controls and restrictions on movement in and out of the territories, permitting new industrial efforts, drastically curtailing censorship restrictions, and, most important, offering to return the reins of municipal government to the local Arab inhabitants. The Israeli Government is now pursuing a \$500 million economic development plan for the territories, in cooperation with the United States.

And, despite the rejection of direct negotiations by each of her Arab neighbors except Egypt, Prime Minister Peres has sought ways to promote a peaceful environment through economic development under a multi-year, large-scale "Marshall Plan" for the Middle East. This plan's farsighted purpose is to help those Arab neighbors of Israel (Egypt, Jordan, Lebanon, and Syria) who are now suffering seriously from the recession in the Arab world brought on by the collapse of oil prices, and thereby to create a regional environment conducive to peace.

Out of sincere desire to nurture the peace with Egypt, the National Unity Government has agreed to refer the Taba dispute to arbitration. This, like many of the other steps in the peace process that Israel has taken over the past year, includes very significant concessions to the Arab side. Prime Minister Peres has even indicated a willingness to discuss arrangements for the Golan Heights with Syria.

And so, Mr. Chairman, in strategic cooperation, in the diplomatic arena, and in the peace process, Israel is today one of our foremost

allies in the world, working with the United States toward regional and global security.

Israel and the United States have also cooperated over the past year in another bold initiative. Working together, they have undertaken to rescue Israel's economy from the severe distress we reviewed together one year ago.

Israel has provided, over the past year, an excellent example of how U.S. foreign assistance, in combination with strong and well-conceived corrective measures in the economy, can turn economic distress into an opportunity for recovery. As economists Stanley Fischer and Herbert Stein set forth in The Wall Street Journal, "Israel has made aid work." Those who questioned foreign assistance said that aid may prevent a country from instituting tough austerity measures which inevitably cannot be avoided. The example of Israel clearly challenges this notion. U.S. assistance to Israel has made a concrete difference in Israel's struggle to regain economic stability, and has been accompanied by some of the toughest austerity measures ever imposed by a democracy in a compressed period of time.

Israel was, very frankly, hemorrhaging economically at the time of this annual hearing last year. Years of shouldering the enormous defense burden imposed by Arab hostility, and the accumulated result of the dependence on imported raw materials and fuel for Israel's industry, had led to extensive borrowing and a huge foreign debt. Foreign reserves were plummeting below \$3 billion to the perilous "red line" level of \$2 billion. At the same time, inflation was raging at 450% per year, and in one month reached an annual

rate of 800%. The government budget was running a deficit equivalent to 17% of the Gross National Product.

Then something unusual happened. Within Israel, the many parties and different schools of thought pulled together, and said that the higher national interest required them to put aside their differences and work in a united fashion for national economic recovery. Equally important, the Government of the United States, and particularly Secretary of State George Shultz and the U.S. Congress stepped forward and in the spirit of a true ally, offered the hand of assistance in a time of trouble.

On July 1, 1985, the Government of Israel instituted a bold and courageous economic plan aimed at curbing runaway inflation, reducing the budget deficit, bringing the foreign exchange crisis under control, and starting the nation back on the path to economic growth. The major elements of the austerity program have been severe and painful, but necessary, and include a wage and price freeze, a suspension of monthly cost-of-living adjustments, a reduction in government subsidies to basic commodities that especially strained those in the lower income brackets, major cuts in the government budget, a 19% devaluation of the shekel, and a freeze on government hiring.

These measures have led to one of the most rapid reductions in standards of living ever imposed on a free people by their democratic government. In one short year, real earnings have been cut by an average 10% and in many cases 20%, as compared to July 1985. And while earnings have declined, the cost of living has risen, according to the plan.

Israelis now must pay user fees for health services and for educating their children. Each family must pay \$60 per child enrolled in kindergarten

through senior high school. Subsidies on basic commodities like bread, milk, chicken and electricity have been cut. The tax rates paid by Israelis are still among the highest in the world. And now, the Government of Israel has instituted a tax on the elderly's pensions.

This terrible "scissor," of incomes rapidly going down while the cost of living goes up, has cut deeply into the living standards and quality of life of the people of Israel. But they have joined their government in recognizing the necessity to "bite the bullet" to rescue the economy and get back on the path to economic growth.

But the Congress, the people, and the President of the United States were partners in this process also, because another critical ingredient of the recovery program is U.S. economic assistance. U.S. aid provided the critical "safety net" to stop the decline of foreign reserves and restore confidence in Israel's economy. This in turn prevented a crisis in which Israel would have become more dependent on high-interest rate, short-term borrowing in the international financial market. Aid made it possible to bring Israel's international financial position back under control.

Aid was also essential to prevent massive unemployment from overwhelming the economic recovery program, destroying public support for the steps that are required for recovery. Israel's unemployment has, unfortunately, increased to very high levels, but the trend would have been still worse without U.S. assistance.

U.S. assistance has been a critical and indispensable ingredient in the progress made by the Government of Israel in restoring health to the economy. As Secretary of State Shultz said last week:

I am happy to say that under Prime Minister Peres' bold and farsighted leadership, Israel has indeed tackled its economic problems in a forthright and constructive way through a series of stabilizing measures, including reduced expenditure and a cut in real wages, and that's tough to do. But you did it.

The results to date have been impressive. Israel's foreign reserves have risen to over \$3 billion, from the dangerously low \$2 billion mark. The inflation rate has also improved dramatically from 450% last year to about 25% today. In January of this year, Israel experienced a negative monthly inflation rate of -1.5%. While 25% inflation is still significant, it's a long way from triple-digit inflation.

Due to cuts made in the budget, the Bank of Israel printing press did not issue a single additional shekel during the 1985/86 Israeli fiscal year. The government's budgetary deficit was running at about 17% of the Gross National Product. Since instituting its austerity program in July, the budget deficit has fallen to about 7% of GNP. In addition to the strides made in reducing the budget deficit, Israel's trade balance has also improved. The civilian trade deficit declined by \$800 million in 1985 after a \$1 billion improvement in 1984. Even in a year of slow economic growth, exports grew by 6% and imports fell by almost 5%.

Although Israel has made substantial progress, the path has not been easy. Israel is by no means through the difficult phase of economic recovery. There is still much ground to cover. Israel must forge ahead with its plan of continued austerity while attempting to renew economic growth. This means the government must hold back the reins on its own spending in services and even defense and commit resources to fueling private sector growth. Israelis will continue to make sacrifices not only for their military security but also for their economic security.

Through these difficult times of economic austerity, the Government of Israel must continue to hold out to its people the "ray of hope" that makes it possible for them to accept further sacrifices.

The United States has a vital interest in Israel's economic recovery for several reasons. First, the economic health of our major allies and fellow democracies is inherently a vital interest for the United States, because in a very profound sense, the free nations stand or fall together. Second, the economy of Israel is the bedrock of the nation's ability to sustain its own defense, and for this reason Israel's economic health is essential to the stability of the region. And third, it is a vital interest of the United States to put Israel back on the path to economic growth and self reliance. This is something we can do, and for our own interest, must do.

The challenge for the United States, and for the committee, as we look to the year ahead, is to stay the course, to continue a program that is working, and to take the steps that are necessary to reinforce and indeed accelerate the recovery to which we have already contributed so much. The foreign assistance program before you is truly an investment in Israel's future.

And beyond the challenge of economic recovery, the program before you is essential for a second reason. This is the fact that our assistance to Israel over the coming year will have a critical impact on the security of the Jewish state, even more this year than in the past.

I regret to report to you, that since the last time we met, Israel's margin of security has been eroded. To a great degree, this has come about because of the very financial and budgetary austerity measures that have

been necessary to rescue Israel's economy from the perils it faced one year ago.

As part of the austerity program, Israel has since 1984 made deep and significant cuts in its defense budget to help curb inflation and revive the economy. Overall, the defense budget has been reduced in the past two years by about 20%--one of the largest reductions ever imposed by a democracy in so brief a timespan. Current economic planning assumes that these reductions will persist into the 1990's.

While Israeli military planners have attempted to make the cuts without eroding the narrow margin of safety, reductions of this magnitude have, inevitably, added to the element of risk in many areas. Israel is no longer cutting fat out of the defense budget, it is beginning to cut into its muscle.

(1) Active combat units have been disbanded, reduced in size, or converted into reserve formations. This has decreased the number and size of army brigades and air force squadrons available to meet a surprise attack. It seems likely that additional active units will suffer the same fate. This weakens the basis on which Israel's security has rested since the conclusion of the 1973 Yom Kippur War.

(2) Combat units have been disbanded. It appears that at least one of Israel's mechanized/armored divisions has been dissolved. This means a serious decline in Israel's visible deterrent capability as well as a decline in its war-fighting ability.

(3) Training has been significantly reduced. There have been serious cuts in the number of flying hours allowed aircraft pilots, ground forces training has been limited, and the expenditure of ammunition in training has

been curtailed. For example, Israeli pilots now are able to fly fewer training hours than their American or Jordanian counterparts.

(4) Reserve readiness has been cut. This year, the number of reserve days being served by Israeli soldiers will be cut severely.

(5) Thousands of active duty military personnel have been released, with thousands more scheduled for dismissal. This has meant the loss of a great many highly-skilled individuals who will be sorely missed by the Israeli armed forces.

(6) Ammunition and equipment stockpiles have suffered deep cuts. This has reduced Israel's ability to sustain its forces in combat. Stocks expended during the Lebanon war have not been replaced, and in order to further reduce expenses, the armed forces have continued to draw down their stockpiles without full replacement.

(7) Naval building programs have been cut back. Israel has had to delay the deployment of the Saar-5 advanced missile boat.

(8) Expenditures on research and development have been significantly curtailed. This will diminish Israel's ability to develop and produce the unique new weapons and countermeasures needed to counter increasingly sophisticated weapons entering Arab arsenals. The Israeli defense industries have reduced their staffs and plant facilities and thus are less able to support Israel's military needs.

The excellent and supportive advice that Secretary of State Shultz and other officials have offered to the Government of Israel has played an important role in the successes that have been achieved in bringing Israel's economy back under control. To that end, the \$1.5 billion supplemental aid request which this Subcommittee approved last year has provided significant

support during this austerity period. But, inevitably, the plans we have encouraged have also contributed to the decisions to make reductions in defense. An essential ingredient of the austerity package was the arrangement that was established between the governments of the United States and Israel allowing for a gradual rise in FMS grant aid to Israel. It was planned to provide Israel, over the next five years, with a total of \$10 billion in FMS grants and forgiven loans. This would allow Israel to focus on economic recovery while maintaining the minimum strength necessary for security.

Thus far, however, the FMS levels to Israel were reduced by 4.3% in FY 1986 and a planned 5% increase for FY 1987 was cancelled.

Despite reductions in oil revenue, Israel's enemies continue to purchase arms at an unprecedented pace. The best available information indicates that they placed orders worth nearly \$30 billion for military goods and services during the last two years alone. According to the U.S. Arms Control and Disarmament Agency, five of the seven largest arms importing countries are Arab countries at war with Israel: Iraq, Saudi Arabia, Libya, Syria, and Jordan. And, it may be significant that despite its economic problems, Egypt was the fourth largest importer.

Syria has made major efforts to expand and improve its armed forces since its defeats in the 1982 fighting. The Syrian military now has about 500,000 men, organized into nine divisions, compared with only six divisions and 300,000 men in 1982. Several years ago Syrian military sources claimed that they could mobilize a total of 750,000 men, and recent reports indicate that they intend to increase this to a million.

This expansion has been made possible by substantial purchases of arms. It appears that in 1984 and 1985, the Syrians ordered Soviet weaponry worth more than \$5 billion. According to the Department of Defense, these orders have made Syria the largest recipient of Soviet arms in the Third World.

Syrian air defenses have been upgraded significantly in recent years. In 1983 the Syrians received two SA-5 missile sites, and a third has recently been added. Last year the Soviets gave control of the SA-5s over to Syria. Although these missiles do not pose a threat to Israel's tactical aircraft, they do pose a serious danger to commercial aircraft that fly into Israel and to large military support aircraft that assist Israel's combat planes.

The Syrians have also been provided other, more advanced air defense weapons. Weapons received in the past few years have included the SA-8, the SA-11, the SA-13, and the SA-14, giving the Syrians a full range of Soviet-origin air defense missiles.

The Syrians also have received the improved MiG-23 Flogger G fighter, a version more capable than those previously received. By next year, they are scheduled to receive the MiG-29 fighter, the most advanced fighter aircraft in the Soviet arsenal. It is considered comparable to the U.S. Navy's F-18.

The Syrian navy has been substantially rebuilt in the past few years. Sepal coastal defense missiles with a range of 300 kilometers were delivered last year. Syria appears to be the first country other than the Soviet Union to receive this weapon. For the first time ever, the Syrian navy has been provided with submarines, two "Romeo" class boats delivered late last year. The Syrians have also been expanding their force of missile patrol boats. Two additional Osa-II missile boats were delivered in 1985. The

Syrians may have also received last year, two of the four Nanuchka missile boats that they ordered several years ago.

The Jordanians have also embarked on a major defense build-up. According to the U.S. Arms Control and Disarmament Agency, total Jordanian arms imports from 1981 to 1983 (the most recent figures available) amounted to over \$3 billion, including \$1.1 billion in 1983 alone. Indeed, tiny Jordan, a country with only two million people, was the world's seventh largest importer of arms in 1983. (Iraq and Saudi Arabia were first and second, and Israel ranked only 27th.) By contrast, Israel's purchases were only \$2.5 billion from 1981 to 1983, and only \$370 million in 1983.

These imports have included new French-built Mirage F-1 fighters, British Khalid battle tanks, Austrian artillery, and Spanish aircraft. Only last year Jordan ordered arms worth more than \$300 million from Britain. American weapons sold to Jordan in recent years have included AH-1 Cobra helicopter gunships, Maverick air-to-ground missiles, tank modernization kits, and a variety of other weapons.

During the past two years, the Jordanians are reported to have placed arms orders worth more than \$750 million. Like many Arab countries, the Jordanians shop around the world for their weapons. Among the countries that Jordan has approached to provide weapons are Argentina, Austria, Brazil, France, Great Britain, Spain, and the Soviet Union.

Despite reductions in oil revenues, Saudi Arabia continues to order weapons on a grand scale. The Saudis placed military orders worth more than \$18 billion in 1984 and 1985. In addition, the Saudis are interested in buying even more advanced weapons. Despite a \$7 billion purchase of Tornado fighter bombers in 1985, the Saudis have indicated that they still would

like to obtain more American F-15 aircraft. Moreover, the Saudis want to upgrade the F-15s that the United States has previously supplied. Among the modifications that they want to obtain are multiple bomb racks, to give the planes a strike capability, and electronics upgrades. Should the United States provide these improved F-15s to Saudi Arabia, it would give Arab forces fighter aircraft superior to the best available to Israel. This would be a significant step towards undermining the qualitative superiority that Israel relies on to offset the overwhelming Arab quantitative advantage.

Iraq, since 1980, has expanded its military forces far more than any other Arab nation. Recent information indicates that the Iraqis may now have 1,000,000 men under arms, organized to about 40 combat divisions. By comparison, in 1980 they had less than half as many men, including reservists and members of the paramilitary Popular Army, and only 12 combat divisions.

This vast expansion has been made possible by substantial arms purchases. The U.S. Arms Control and Disarmament Agency reports that between 1975 and 1983 Iraq imported over \$20 billion worth of weapons. This pace of procurement continues today. According to the Department of Defense, Iraq received Soviet weapons worth \$2.5 billion in 1984. Only last year, Iraq became the first country outside the Warsaw Pact to receive the Su-25 Frogfoot fighter, a plane of the same class as the American A-10.

Overall, what we have is a pattern of accelerated Arab buildup while Israel substantially cuts its forces.

Mr. Chairman, we are all proud of Israel's achievements, but realistically it is impossible to have this combination of trends without a diminu-

tion of security. Israel's margin of safety is, inevitably, reduced by the austerity measures it is being forced to take.

And so I come before you to ask that you take these very serious risks into account when you consider the level of aid to Israel for FY 1987. What this Committee does will have a very real and direct impact on Israel's security, in a situation where there is much less room for error.

Let me sum up, Mr. Chairman, the conclusions of my testimony. Our aid to Israel is always a wise investment, because Israel is our one democratic friend and most reliable ally in a critical region of the world. But this year, aid to Israel is particularly important, for two reasons. First, to prevent any further erosion in Israel's narrow margin of security, in a situation where its forces have been cut while those of the Arabs are rapidly growing.

The second reason aid is particularly important this year is to stay the course on the recovery program for the Israeli economy. This is no time to reduce our effort, just when success is in sight.

However, we all understand the constraints of the Gramm-Rudman-Hollings environment and its implications for foreign aid. Israel, in recognition of this reality, acted as a responsible partner in the foreign aid process by returning \$51.6 million to the U.S. Treasury this past January despite its own economic pressures.

Mr. Chairman, we thank you once again for this Committee's strong friendship toward Israel, and we thank you for this opportunity to explain the importance of aid for FY 1987.

Israel Has Made Aid Work

By STANLEY FISCHER
And HERBERT STEIN

Israel is the largest single recipient of economic aid from the U.S. This is partly because the economic stability of Israel is uncertain and is important to U.S. national interests. Therefore a report on the progress of the Israeli economy is relevant to policy decisions to be made here.

A common view, supported by some experience, is that the availability of foreign aid prevents the recipient country from taking the steps required for its own economic health. The story of Israel suggests that there may be exceptions to this dismal lesson.

On July 1, 1985, Israel introduced a radical stabilization program designed to bring the inflation rate down from 1000% to 20% a year or less. Success was swift. Within two months inflation was down to less than 4% a month; in November and December 1985 it averaged only 1% a month. But there is still a long way to go before success is assured.

The Israeli inflation rate rose by stages from 2% per annum in 1967-70 to the 1000%-per-annum area at the end of 1984. The pattern was for an inflationary shock to kick the inflation rate up to a new plateau, at which it stabilized before the next shock.

Underlying the Israeli inflation were massive budget deficits averaging 15% of gross national product for more than a decade, fueling, and fueled by, a fast-growing national debt and rapid monetary growth. At the heart of the government's budget problem is defense spending of 25% of GNP. Despite large-scale U.S. aid, the government found it increasingly difficult to borrow at home or abroad in 1984 and 1985, and was forced instead to print money. More than anything else, it was the difficulty of borrowing that forced the government to undertake the stabilization program.

Three Policy Positions Argued

Widespread indexation of assets and of wages made living with inflation tolerable. As inflation persisted from 1979 to 1983 in the 100%-130% range, Israelis explained to foreigners that they had found a way of living with high but non-exploding inflation.

Three policy positions were argued during this period. A first group was willing to live with inflation. Another group wanted steady disinflation through gradual reductions in the budget deficit and money growth. A third, shock-treatment group argued that only a comprehensive program designed to move the economy immediately to a sustainable low inflation equilibrium could succeed.

The living-with-inflation group evaporated as inflation hit the 20%-a-month range in 1984.

Tough anti-inflationary policy was widely expected from whichever party won the July 1984 election. But it failed to materialize. The election led to a coalition government that took nearly three months to form.

The first stabilization program of the

new government was a package deal with the Histadrut (national trade union organization) and employers whereby wages and prices would be frozen for three months. However, devaluation continued. The planned 1985/86 budget had sharply cut the deficit, but with the government spending increasing amounts to maintain the prices of subsidized goods, the deficit did not fall. Nor were other planned cuts in government spending implemented.

By April and May of 1985 the package deal had fallen apart and inflation was back to the 400%-per-annum area. The balance-of-payments deficit had been reduced from its 1983 level, but foreign-exchange reserves were falling rapidly as Israelis switched into dollars. The government budget deficit was at an unsustainable level and the need for action was clear.

By this stage the comprehensive approach was the only choice. The aim would

Israeli Inflation 1985

	% per month		
Jan.-May	11.3*	Sept.	3.0
June	14.9	Oct.	4.7
July	27.8	Nov.	0.5
Aug.	4.0	Dec.	1.5
		*Average	

be to move the government budget, monetary and exchange-rate policy, and wages and prices all at once to a new, sustainable level.

The essential requirement for the stabilization was a sharp reduction in the budget deficit. Without that, no amount of wage and price controls, sophisticated exchange-rate management or clever monetary policy could do more than temporarily slow the inflation.

The program had three main ingredients:

- A cut in the budget deficit from 17% to 8% of GNP. The cut came mainly through subsidy reductions.
- A large devaluation to be followed by a stable (though not formally fixed) exchange rate against the dollar.
- Introduction of wage and price controls and suspension of wage indexation and other elements of existing labor contracts by emergency decree.

In support of the program, monetary policy would control the growth of credit.

The devaluation and lifting of subsidies caused a 28% jump in the price level in July. Wage earners were not compensated for most of the July inflation, with the result that the real wage fell about 20%.

The government's main fear about the program had been that it would create massive unemployment. Economists argued that a reduction in the real wage and devaluation would prevent unemployment and allow a switch of production into exports. The knowledge that a requested supplementary U.S. aid package of \$1.5 billion over the next two years was likely to be granted within a few months encouraged the government to act decisively, in the belief that it would have a safety net of reserves and resources to use to increase employment if things went badly wrong.

Immediate results of the plan have been positive. The data show the inflation rate coming down fast. In January 1986,

summer price index declined 1.5%. The budget is doing even better than expected as the reduced inflation increases real tax revenue (tax receipts previously lost much of their value by the time they were collected). The trade balance has maintained the improvement that began with the maxi-devaluation at the end of 1983. The black-market exchange rate, which had been at a premium of 25%, has fallen to 5%. Price controls have not yet produced serious shortages.

Although labor objected bitterly to the use of emergency decrees to suspend contract terms, a new voluntary wage agreement was reached after remarkably little strife. The agreement allowed the real wage reduction of July to go through, but maintained partial indexation and provided for nominal wage increases of 4% a month from December 1985 to February 1986.

Monetary policy during the first months of the stabilization was strongly contractionary. The nominal interest even in October was still 13% a month, implying an annual real interest rate of more than 100%. Several large firms are in financial difficulties. The nominal interest rate was brought down rapidly in November and is now 5% a month.

Contrary to fears, unemployment rose only briefly in July and August, and has started back down again.

So far, then, the plan is a total success. Public approval for the economic policy, despite the immediate hardships it has caused, is widespread.

Prospect of Inflation-Rate Rise

Nonetheless, serious difficulties remain. The first is that the government budget deficit is still too high. At 8% of GNP, it cannot be financed without increasing debt or printing money too rapidly. Yet the government finds it increasingly difficult to cut spending. Because government revenue in Israel is near 50% of GNP, the tax burden is too high and taxes should be cut. But without further spending cuts, taxes cannot be cut. Further spending cuts are thus a high priority.

The wage agreement will raise nominal wages at least 17% over the next three months. Unless the government finds a way of neutralizing that increase, the price level will rise as business costs increase. Price controls cannot contain such pressure, and in any event cannot be successfully maintained over long periods.

The prospect is that the inflation rate will rise back to the 3%-4%-a-month rate by the end of April, unless the government finds a way of dealing with the effects of the planned wage increases. There is no way of doing so without further budget-deficit reductions. From 3%-4% a month inflation, the trip to 10% a month is easy, especially for an economy that has been that way before.

Budget decisions of the next few weeks will show whether the coalition government can bring itself to the measures now needed to protect the gains achieved by its decisive action of last July.

Mr. Fischer is an economics professor at MIT and Mr. Stein is a senior fellow at the American Enterprise Institute and a member of the Journal's board of contributors. Both are consultants to the U.S. State