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ENERGY AND UNITED STATES SECURITY

Jewish Institute for National Security Affairs

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In this 10th anniversary year of the Jewish Institute for National Security Affairs, we are pleased to bring you a publication concerned with energy and American security. During the decade of JINSA's operation, energy issues have moved from a low priority for our country to our chief economic determinant. Energy prices and availability greatly affect economic growth, employment and inflation - all of which have an impact on our ability to build and maintain an armed force capable of defending our country and our allies.

JINSA, with 15,000 members across the country, has a dual mission: to inform the American Jewish community of the vital importance of a strong U.S. defense policy for our own security and for Israel's safety; and to inform members of the American defense community of the key role Israel can and does play in securing Western interests.

In pursuit of these goals, JINSA has taken nearly 300 leading members of the Jewish community to the Pentagon through our Fly-In series for high-level meetings on issues of American security. We have taken eligible American Admirals and Generals to Israel to show them, first hand, the security problems Israel faces and some of the solutions she has devised. Both programs have increased communication between groups with more common concerns than either might have believed to be the case.

Our newsletter, "Security Affairs", has readers around the country and throughout our government. We have held meetings in cities from Boston to Houston to Chicago to Miami to Los Angeles. In each place, we have stressed our basic message: If the free countries of the world, the U.S. chief among them, do not vigilantly guard their liberty and assist in assuring the security of their allies, there will one day be no freedom left to defend.

INTRODUCTION

National security has a broader perspective than military capability. It relates to national economic health and social stability as well. During the 1970's, the U.S. and its allies experienced a severe threat to their economic health a politically inspired oil embargo and a politically and economically driven substantial increase in oil prices. Now we and our allies are benefiting from an oil glut. The origins of this glut are partially due to market forces accompanying a large price increase, and to some deliberate government policies whose motivation was national security.

The Jewish Institute for National Security Affairs sponsored a symposium on Energy and United States Security in 1985. The speakers were Dr. Bernardo Grossling, National Resources Advisor to the Inter-American Development Bank; Dr. Michael Canes, Vice President for Finance, Analysis and Statistics of the American Petroleum Institute; and Dr. Benjamin Schlesinger, formerly Research Director of the American Gas Association. I was privileged to be the moderator.

After a review of the current situation, there was no formal attempt to achieve a consensus. However, it became clear that the oil glut cannot be taken for granted. The U.S. could take steps to enhance and diversify both domestic and foreign sources of energy, particularly oil and gas. The U.S. should continue to promote energy efficiency and alternatives to conventional oil and gas where appropriate so that these alternatives would be available when and if shortages appear due to international crises and/or domestic shortages.

Dr. Lawrence Goldmuntz

ENERGY AND UNITED STATES SECURITY

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DR. GOLDMUNTZ: Welcome to the JINSA symposium, "Energy and U.S. Security". We are very fortunate to have a panel of three experts on energy with us today. I will introduce them in the order in which they will speak.

Bernardo Grossling is Natural Resources Advisor to the Inter-American Development Bank. He is also the Chief of the Section of Mines and Petroleum.

I have a personal relationship with Bernardo dating back to 1976, when he introduced me to Mexico. Nobody else knew what Mexico had at that time. The Carter Administration didn't (it wouldn't put him in a position of authority), but the Inter-American Bank picked him up. Bernardo was among the first to tell us that Mexico was an emerging oil superpower. I rely on him for very good advice.

Michael Canes is a Vice President for Finance, Analysis and Statistics of the American Petroleum Institute. I first met him at the Foreign Service Institute, during a series of debates. I expected to have a great many problems with the American Petroleum Institute because of their public relations - which are notably poor. But their people are much better than their PR. Michael has always had very good statistics and he had an amazing influence on our debates, insisting that they have a factual basis.

Ben Schlesinger is an independent consultant. He is the former Research Director of the American Gas Association and he knows the gas industry from wellheads to pipelines to use in the home and industry.

Price and Supply

Energy security has two dimensions, and we're going to discuss both dimensions this afternoon.

One element is the assurance of a supply under military duress; the other is the price of energy to our society. The Arab boycott of 1973 intensified our concerns, but experts have actually been debating energy security for almost half a century. It was about fifty years ago that the naval petroleum reserves were established in California and Alaska. During World War II, many of you may remember tankers burning off our Atlantic shore, torpedoed by German submarines. They were bringing oil from Venezuela.

Today, we have a Rapid Deployment Force, and we have facilities in Oman

to attempt to assure a supply of oil from the Persian Gulf to the Free World. I think, however, the chances of doing that under many military scenarios are fairly dim.

Submarines today are nuclear-powered and can roam far from home ports. And Soviet subs are based in such inconvenient places as Aden, the Horn of Africa, and perhaps even Cuba, to dominate the Atlantic shoreline and the Caribbean.

We would not have an easy time assuring the delivery of oil assuming even the simple scenario of World War II. And scenarios that people postulate for hostilities in the future are far more dangerous than World War II.

We do have a very serious problem associated with the security of supply from overseas in today's technological world. In the hands of people more skilled than the Iraqis, tankers won't be left floating. They'll be sunk.

There is another threat. An artificially high price for energy, particularly oil, can do enormous damage to our economies. The International Energy Agency of the OECD (Organization of Economic Cooperation and Development) estimated that the oil shock of 1979 (the time of the Iranian Revolution) caused a loss in income to the OECD countries by 1981 - not to the present, but only by 1981 - of a trillion dollars. That is a lot of money. The gross national product of OECD countries at that time was approximately four to five trillion dollars, so it was a very substantial cut in their growth. It caused unemployment. It caused inflation.

Minimizing the Threat

Threats to our energy security — our vulnerability to oil import cutoffs — can be minimized in a number of ways. One is to develop many sources of oil around the globe so that no one region can hold the U.S. or our allies hostage.

A second approach is to develop oil and other energy resources in our country and within the national boundaries of our allies. For example, the North Sea, the North Slope, offshore California, etc.

A third approach is to develop alternative fuels that are available economically, such as coal, gas, nuclear, hydropower and so forth. Or we could substitute electricity for oil in our homes and factories and we could burn coal and use nuclear power rather than oil in electric power plants. We could use oil (where needed in transportation for example) more efficiently.

We have to do all of this if we are going to reduce our military vulnerability and the threat to our economies.

Let me review some statistics before we turn to our panel. Today, the U.S. imports about five million barrels a day of oil and oil products and we consume approximately 15 million barrels a day; so one-third of our oil supply comes from overseas. This is down considerably from the height of the oil cri-

sis, when we were importing eight to nine million barrels a day and consuming 18 to 19 million.

The price of oil has also come down. In those days - at the height of the oil crisis - the price was \$34/barrel. Today it is \$28/barrel. All of this is due to "the oil glut". Decreased oil consumption and increased supply outside the Persian Gulf has left OPEC producing at only 50% of capacity. Therefore, their ability to control prices has been decreased.

It is true that 50% of the world's proven reserves are in the Middle East. But, that is not necessarily 50% of the available resources. And Bernardo will spend some time differentiating between proven reserves and resources.

Of concern to us is how long this glut will last and what we can do to improve energy security both militarily and economically. Each member of this panel will talk for 15 minutes on his area of expertise. If there is anything left uncovered — which I doubt will be the case — I may fill in a few chinks at the end. And then we will open the floor for discussion to see how we can develop an agenda that would lead to greater energy security for the U.S. and for our allies.

I would now like to ask Dr. Grossling to talk about the difference between reserves and resources in the oil business; what is available in the U.S. and what is available in the rest of the world; and what we ought to do about it. He has written a book called In Search of Oil, published by "The Financial Times". And, even though some people aren't making money out of oil, he knows how to do it — his book costs \$295.

DR. GROSSLING: Thank you Larry. I think you covered a great deal of the background. In order to use my time effectively, I will first skim through a series of points.

My basic contribution to solving our energy problems has been to challenge conventional views of how much oil is left in the earth. This is an extremely important issue, because modern societies — industrial nations — arose through the use of oil, the modern world runs on oil, and if the oil stops, the machinery stops.

If, suddenly, a certain fraction of the oil supply of the United States was cut off (let's say 30-40%) our industrial society would die. Our GNP would collapse like an economic waterfall. We would become a primitive society again, and we would come back very slowly. So, our first problem is to retain the level of oil imports necessary to ensure this does not occur.

There are alternative sources of domestic energy — coal, uranium, etc. — but they are not ready, and it will take quite a while, at least, for the competitive conversion of coal to liquid fuel.

This question of competitive energy prices is another important issue. We were challenged once by the OPEC nations. They tried to push up the price of oil and wring the maximum out of the economies of the consuming coun-

tries. This was facilitated by the misperception that OPEC controlled most of the oil in the earth, because 2/3 of the *PROVEN* reserves were in the Middle East. The previous Administration endorsed that view, so the misperception became an "accepted truth".

My contribution has been to challenge that point. My first contact with a petroleum basin was about 40 years ago, and I have worked closely with the petroleum industry ever since. But, I was not faced with the question of how much oil was left in the earth until the early 1970s, when the World Bank asked my opinion.

How Much Oil is Left?

Then-World Bank President Robert McNamara had set up a task force to examine, among other things, "Is there a significant amount of oil in the developing countries?" They had already covered the Middle East, the United States, and Russia, but, until then, nobody had thought much about the petroleum potential of the developing countries. So they invited me.

If the World Bank had given me 24 hours to answer, I would have said, "The oil companies, for which I have worked, and for which I have great admiration, know where the oil is, and that's it. You can take the proven reserves as a very good indication of how much oil is left."

But, they gave me more than 24 hours; they gave me several weeks. During those weeks, the question arose as to how many wells had been drilled in the world. It was well known that about 2.4 million wells had been drilled in the U.S. (both exploratory and developed). There were no comparable figures available for the rest of the world.

I went to an eminent colleague who had been working in the field, and asked if he knew how many wells had been drilled in the world. "No," he said. "But Wallace Pratt must have determined that. Pratt must know." Pratt was, deservedly, the wise man of the petroleum industry, so I went to his book. But the answer was not there.

My first task, then, was to try to make such an estimate. To my shock, we found that to that time (1975), there were 2.4 million wells in the U.S., but fewer than 800,000 in the rest of the world.

In my recent book — with the collaboration of my colleague Diane T. Nielsen — we found that there are now about 2.8 million wells drilled in the U.S., and in all the rest of the world there are a little over one million. Something strange is happening.

In all of Latin America, with a prospective area 30-40% larger than the petroleum prospective area of the United States, there are only 124,000 wells. In one corner of Texas, there are 124,000 wells.

The Los Angeles basin has about 20,000 wells.

People then told me, "We don't have to drill, we know the geology and have

the seismic data." We began checking that, and I literally walked through the data. I have been walking through data for ten years and traveling extensively. The latest book has only about 800 references, but at least 2,000 were researched. I have looked at thousands of maps, well logs, and seismic sections.

"They" said it had been done. But let me ask you, "How much geophysical exploration has really been done?" I am a geophysicist, so I know how the earth is explored with geophysics; I know the best tool is the seismic reflection method; I know how to estimate how much seismic work has been done. What I did not know was the appalling total: to that time, 41.5% of the work had been done in the United States; 24.6% in the USSR; and 7.5% in Latin America.

A continuing imbalance is reflected in the trends. In the U.S., per unit of prospective area, five times more seismic work is being done than for all the rest of the world. It was clear, then, that knowing how many wells had been drilled, or knowing what seismic work had been done would not be sufficient.

I needed to set up an entirely new system. My approach was strictly experimental and objective. I tried to examine the evidence as it was, and not prove anything I might have had in mind from the outset. If it pointed against the conventional wisdom, however, the hell with the conventional wisdom.

I selected bench areas — areas which were already well-known through geology, geophysics, and drilling. One was the United States. One was Canada. Another was the USSR. Another was an aggregate of three countries in Latin America which had been extensively studied by the private sector: Colombia, Venezuela and Trinidad.

I assumed that, on average, there was no more oil than had been found in the benchmark areas. Then I asked what could be said about the developing countries just on the analogy of the geology. Oil is not something God simply stuck randomly here and there. Its distribution follows the laws of nature. When the tectonics of an oil producing area (and tectonics is history) are similar to those of a nonproducing area on another continent, oil has to be found in that not-yet-producing area. It is as if you go into a barn and find one grain of wheat. There are bound to be other grains of wheat there as well.

Based on these comparisons and analogies, we studied the amount of oil that had been found, the cumulative production, the proven reserves and the likely expansion of proven reserves. In other words, the growth of known fields and how much had been found in key areas of the world. We examined many areas for which there were statistics, and arranged them as to oil found per well per square mile of prospective area. (For this study, only tracts of prospective areas of at least 1,000,000 sq. mi. were considered.)

The More You Look...

Something amazing happened. If you put together samples of the various areas, there appears to be a rough correlation between the oil found and the

effort to find it. The more you work, the more oil you find. When examining oil found per well per unit — versus total wells per unit area, there appears an asymptote. And, using that asymptote I came to estimate how much oil might ultimately be found.

There is, of course, a reason for this, correctly observed by Wallace Pratt in his beautiful and interesting little book, *Oil in the Earth*. Pratt said, more or less, "I have worked all over the prospective basins of the earth. I have asked myself why it is that we in the United States have produced so much oil. The answer is not in the geology; the geology is average. It is in our system of incentives."

It is, indeed, our system. The United States is the top cumulative oil producer in the world; that is, we have produced more oil, over time, than any other country. Our system of economic incentives makes it attractive to look harder for the oil, and therefore, we find more of it.

Compare that to the USSR.

In my 1976 book, *Window on Oil*, published by "The Financial Times", I gave estimates for continent-sized blocks. In the latest book, *In Search of Oil*, we distributed the oil country by country, by introducing bias coefficients for geology.

I would summarize my divergence with conventional wisdom this way: The total world oil production thus far is about 540 billion barrels. There is, in proven reserves, roughly 700 billion barrels. So, 1,240 billion barrels have been accounted for, and plenty is left.

How much is left? Conventional wisdom — which is actually the view of the rather small group of people who publish the majority of papers — is that there are roughly about a thousand billion barrels more. (This view is not supported by where the money goes, as entrepreneurs don't believe in conventional wisdom.)

My analysis, on the other hand, indicates that what is left, in addition to the proven reserves, is 2.2 thousand billion barrels, and may be as high as 4 thousand billion barrels. So there's a small discrepancy — by a factor of between two to four.

I am sure they are wrong. I am called an optimist. But I have become convinced since I first did this analysis (1976) that when the record is closed, I will be proven to have been a pessimist.

DR. GOLDMUNTZ: I hope we all live to see the day.

DR. GROSSLING: There will be a great deal more oil. It is difficult to estimate that which has not yet been discovered. So, when estimating the future, people tend to be too conservative. They feel guilty if they assume a positive result and would rather believe God is playing against us. Well, God is indifferent on this.

We do know certain things about the geology, but only certain things, and many of these are the result of human behavior. If you look at published estimates, for instance, the less well-known an area is, the narrower the estimates. I used to work with, and I still belong to, an organization that publishes estimates. I've told the director, "Some day, we will eat these. For the Atlantic continental shelf, we appear to be more certain than for the conterminous U.S., which is nonsense."

The narrower estimates have nothing to do with geology, they simply reveal a greater level of ignorance of the situation.

Changing Scenarios

Therefore, it is very important for analysts in the United States to ponder the issue and not simply endorse the conventional wisdom, which would preclude many actions. It appears to have been assumed by no one less than Mr. Schlesinger — not Benjamin Schlesinger — but the former Secretary of Energy Schlesinger, that the real price of energy would be on the order of \$100 per barrel by the year 2000. Well, I think the price is going to go down; it's going down at the present time.

If I am right, the alternatives of coal liquefaction, oil shale, uranium and everything else will be postponed. And, if there is even more oil left, then the broad scenario, the entire thing, changes.

Another thing has changed — and this is already a fact, as Larry mentioned — Mexico. Let me tell you the perception of our wise people before the discovery of Mexican oil. In the late 1960s, the Department of the Interior was projecting Mexico to be a net importer of about five hundred million dollars worth of oil a year. And I don't point out their mistake as criticism, simply as an example.

I don't remember the exact figure, mind you, but the important thing is the net import of oil. And at that time, the proven reserves of Mexico were about two billion barrels; now they are over 40 billion. Even the proven reserves of 40 billion are underestimated. The Mexicans, I believe, may not want to publish a higher figure now because of their "peculiar" relationship with the United States. As they say, "Poor Mexico, so far from God and so close to the United States."

U.S. policies toward Mexico will determine much of our energy future, but the strategic balance of the world changed drastically with the discovery of the Mexican fields. We don't have to bring oil from Saudi Arabia; there is oil right next to us. That is of major strategic importance. The balance of power has been altered whether Mexico intends it or not. The Soviets could take the Middle East and could blow it up. We would never get the oil out of there. But, however that goes, the United States will have access to Mexico.

Looking at the case of Mexico, you realize that to understand oil, you have

to understand it in the context of three elements. One of these is geology, or geologic perceptions, but with that alone you never explain it completely. You may understand what is possible, but not really what has happened or what could happen.

Economics, of course, is another. You've got to make money. Certain types of oil are very uneconomical today because it requires a great deal of investment to pump it out. Arctic oil, for instance, would be very difficult to recover.

The third factor is politics, and this is the key. In Latin America, for instance, there are probably 300-400-600 billion barrels of oil to be discovered. The element that hinders its development is political access — the perception of the governments, their distrust of oil companies, etc.

Petroleum prospects have to be examined in the context of all these things.

Here I'll summarize briefly. There probably is a great deal more oil in the world than most people believe. The price of oil will come down because the oil to be discovered is not more expensive than what we have been dealing with; the same geologies produce the same cost factors. And, finally, we have a veritable Middle East next door to us. The Gulf of Mexico is another Middle East, but it has hardly been touched.

DR. GOLDMUNTZ: Thank you. Dr. Michael Canes is going to talk now about the domestic oil situation — those two-and-a-half million wells.

DR. CANES: It is a pleasure to be here.

I think Charles Dickens might have had the best phrase to describe the present situation both in the United States and worldwide with respect to oil when he wrote, "It was the best of times; it was the worst of times."

It is the best of times because there is plenty of oil available. In all product markets there is, if anything, an excess supply. For example, large gasoline supplies have been coming into the United States, putting downward pressure on prices. It is a time — lasting about four years now — of generally falling real prices for oil in the U.S. and in other places. Taking a short-term outlook, there continues to be downward pressure on oil prices.

If so, why is it the worst of times? It is the worst of times because it is very difficult under these conditions to focus on the future. It is particularly hard to get policy makers to look at what some of the new trends might be, what changes might take place, what new factors might come into play.

A transition is occurring. That transition at some point could lead us into a dangerous situation in which we will be exposed once again to the possibilities of a crisis through disruption. Or, even without that, to price increases in real terms.

As I see it, there are two questions. 1) How long will it be until we are in serious jeopardy? 2) What factors are of the greatest influence? I will address both of these.

Production vs. Capacity

The key fact about the oil market today is that, worldwide, there is surplus producing capacity of some ten million barrels a day. Although the estimates vary as to how much it is — some think ten, some think 12, a few project even higher — the consensus is that there is a range of some 10-12 million barrels a day of excess capacity to produce relative to what is actually being sold into the market daily.

That surplus capacity, which the OPEC countries collectively have built by restraining production to support prices, continues to give each individual oil producing country incentive to produce and sell a little more, and that keeps putting downward pressure on prices.

In the United States, we have seen our domestic production stabilize since the late seventies. It stabilized in 1979 and has been pretty much flat, or just barely up, each year since then. This is a striking contrast from the pattern we saw during the 1970s, when production fell each year relative to the previous year by about 300,000 barrels a day. Our production today is a little over ten million barrels a day, counting both crude oil and natural gas liquids, which are a close substitute for crude. Crude oil production alone runs about 8.7 million barrels a day.

Our oil consumption has fallen about three million barrels a day from its peak in 1979. This alone has importantly contributed to the excess production capacity in oil markets worldwide. Further, this country has excess capacity to produce natural gas, excess capacity to produce coal, and excess capacity to produce electricity from coal, nuclear, hydro and other sources. So we have a glut of energy-producing capacity at the present time.

How long is this going to last? And why do I think, when we look ahead a bit, we can see danger signs on the horizon? One way to look forward in time is to look back and see if we can learn some lessons from history.

As you recall, we had the first energy shock in 1973, which spun energy prices up some three-to-fourfold. These price increases discouraged consumption, and we had a substantial recession in the West in 1974 and 1975, which helped to curtail consumption. We found ourselves with reduced consumption relative to previous years, and also some extra production, partly in response to the higher prices for oil. So, in 1975, we had, worldwide, about six million barrels a day of excess capacity. And that six million barrels represented about 20% of OPEC's capacity, so they were producing at about 80% of their capability in 1975. And, in that situation, they were able to just about hold real oil prices constant.

From year to year in the mid-seventies, they would raise nominal prices to track inflation. (In one year they couldn't even do that, and so real prices fell a little bit.) Overall, for about three or four years, OPEC barely was able to hold the line on prices.

But, at the same time, Western consumption of oil was rising. For example, from 1975 to 1978, industrialized country consumption rose by four million barrels a day. Of this four million, United States consumption rose by about two-and-a-half million barrels a day and other industrialized countries by about one-and-a-half million. So four of the six million barrels a day of excess capacity that existed in 1975 was utilized by the end of 1978, leaving approximately two million barrels a day excess capacity.

In the late fall and early winter of 1978, the Shah of Iran's regime fell. In early 1979, there was an enormous change in the producing behavior of Iran. They went from exporting about five million barrels a day to exporting essentially zero, a net loss of about five million barrels a day to the world market.

In the face of that, a few other countries increased their production somewhat. About two million to three million barrels a day of the five was made up, leaving a reduction on net of a couple of million barrels a day in early 1979. In that situation the dollar per barrel price of oil rose from somewhere in the mid-tens to the mid-thirties. So that was the consequence in the 1970s, when worldwide excess producing capacity fell from six to two and then we lost five million barrels a day. The OPEC producers were able to raise the real price dramatically.

I think there are two lessons to be learned from that experience. One is that oil consumption is, in fact, quite sensitive to price. After the steep price rise in 1973, oil consumption fell. But then stable and even falling real prices in the mid-seventies induced peoples' consumption to rise once again. Of course, economic activity also picked up in the mid-seventies, and that led to rising consumption as well. So consumption of oil is related both to the behavior of prices and to economic activity.

Oil Policy: Past, Present and Future

The other thing we learned is that it is easy to deceive ourselves into believing that surpluses that exist for a time are going to continue indefinitely, leading us to do the wrong things. For example, we followed policies in the U.S. during the 1970s that were counterproductive; we price-controlled both oil and natural gas. By controlling oil prices, we stimulated domestic consumption and discouraged production, leading to an increase in imports. And by price-controlling natural gas, we again discouraged production, and there was substitution away from natural gas and toward oil, upping our oil import figures even more. These results were largely policy induced and made us vulnerable to the kind of event that occurred in Iran in 1978-79.

The second oil shock caused a similar reaction to the one in 1973; that is, there was a very large drop in consumption, there was substitution of other fuels for oil, and there was a worldwide recession that in the U.S. lasted for the better part of three years. And so consumption in the West fell by over

six million barrels a day. Furthermore, a lot of new oil production came on during these years, the late seventies to the early eighties, about three-and-a-half million barrels a day of it. This combined reduction in consumption and increase in production forced OPEC to reduce its output by some ten million barrels a day. That is where today's excess capacity has come from.

By reviewing experiences of the mid-seventies, we can perhaps see better where we now are and where we may be going. We have more excess energy-producing capacity today than we had then. And perhaps we have a better understanding of future new oil production prospects worldwide — if Bernardo is heeded — than we did a few years back. However, it is not at all clear that local institutional regimes — that is, local legal and fiscal systems — will change as quickly as we might wish to encourage timely development of new prospects.

In any case, as of 1984 OPEC was producing at about 55% of its collective capacity; well below the 80% it produced at back in 1975. But, in the United States, consumption rose by a little over 3%. In fact, U.S. oil consumption began rising in June of 1983 and has been rising most of the time since. In Japan, oil consumption rose by about 5% last year. In Western Europe, it rose about 3%, but a part of that came about because of the British coal strike. Had it not been for that special factor, consumption in Europe would have risen only a little over 1% in 1984.

Why is oil consumption now rising in the United States and Japan while it is virtually stable in Europe? As I said earlier, economic activity and prices influence oil consumption. Economic activity has been very strong in the United States. As you know, we've had a substantial recovery from the recession of the early eighties. Japan, too, has seen renewed economic growth. In Europe, there has been high unemployment and slow economic growth in most countries, so that has held down energy use there.

Second, in the U.S. we have seen declining oil prices since 1981. Over the past three years, the price of crude oil has fallen 18% to the United States and product prices have fallen by comparable proportions. In Japan, the price of oil has dropped about 14% over that time period. But in France, the price of oil has risen 30%; in West Germany, 15%; in Italy, 30% in the same period.

Why? The key is that oil is priced in dollars around the world. If the dollar rises relative to other currencies, then those who pay in another currency will see a rising price of oil because it will take more of that currency to buy the dollars to buy the oil.

It's really no surprise that consumption in Europe has been flat recently. But with a weaker dollar, that might turn around. In fact, the dollar has been weakening recently, so it may be turning around right now.

Where are we going from here? The consensus forecast among government and private forecasters seems to be that there will be about 3% per annum GNP growth in the West and that the price of oil to consumers will continue to moderate downward. Non-OPEC production will increase very slowly so that we may

get another million barrels a day or so from this source by the end of the decade. This one million would be composed of increases in some areas and decreases in other areas with the U.S. probably more likely to decrease than increase.

If the consensus is right, then oil consumption in the West will rise about five million barrels a day by the end of the decade. That will leave OPEC producing something on the order of 21 or 22 million barrels a day, or at about 75% of its collective capacity.

As I described, this is a logically consistent scenario because, if OPEC is producing at only 75% of capacity by the end of the decade, it probably cannot raise the real price of oil. In fact, the real price more likely would continue to fall than rise and there would still be some six to seven million barrels a day of excess capacity. If that happens, the chances of a disruption having a major impact on the oil market are small (though not zero) - that is, most events of a disruptive nature would have little impact, but a few, such as a revolution in Saudi Arabia, still would have a large impact.

What are some factors that could cause this scenario to be changed? In a helpful direction, non-OPEC production might increase more rapidly than the consensus forecast says. If Bernardo is right, for example, there may be tremendous hydrocarbon resources in Latin America, in Africa or elsewhere. If the institutional regimes - that is the property right and fiscal structures - in those areas encourage petroleum drilling and development, there could be more rapid development of those sources than now expected - hence, more than a million barrels a day increase from non-OPEC sources by 1990. But, history suggests that those sorts of changes occur slowly, and sometimes go the wrong way for a time before they go the right way. It is anybody's guess whether the consensus will be right regarding future non-OPEC production.

What about faster than 3% per year real economic growth? In Europe, there's a pretty good chance that you could see faster than 3% average growth because there's so much unemployed resource there at present. Whether the U.S. can grow faster than 3% per annum is another matter. Probably not, based on post-World War II experience. But some people think that it's possible for the U.S. to grow more rapidly than historically indicated.

What about oil price movements? What is the likelihood that the price will fall more rapidly than expected between now and 1990? For Europe and Japan, at least, the chances might be pretty good. There is a strong possibility that the dollar will fall relative to those currencies over the next few years, and so the dollar price of oil will fall to those countries.

Of course, it's hard to predict how the dollar is going to change. Many people have been unsuccessful at doing that in the last year or two, and yet it's pretty clear that this country's recent balance of trade numbers cannot be sustained over the long run and therefore there will have to be downward pressure on the dollar.

Market Sensitivity

To see how sensitive future oil market scenarios are to the underlying assumptions, assume that industrialized country GNP growth averages 3% per annum as per the consensus, but then assume that the real price of oil falls - say 3% per year - as opposed to 1%. In that case, worldwide consumption by 1990 would rise by about seven million barrels a day and OPEC's production would rise to about 82% of collective capacity instead of 75%. If that happens, OPEC's ability to raise prices would strengthen.

Also, the amount of remaining excess capacity would be perhaps five million barrels a day. If there were only five million barrels a day of excess capacity, and if an event were to occur like the 1979 revolution in Iran, and if everybody else were to produce as much as they could - a very strong assumption - then the world would be producing at absolutely full capacity.

That kind of situation tends to make people nervous. One consequence might be a speculative demand surge resulting in a shock to the market even though, on net, there was no loss of production. I am not saying it must happen, but the above analysis indicates how easy it can be to find ourselves in a position where it can happen.

What can we do in this country to strengthen our hand and extend the period of surplus capacity and downward pressure on prices? I'll quickly mention three policy options for the United States.

There are proposals to drastically change the tax structure affecting the energy industry, and particularly the oil and gas industry. For example, the Treasury tax proposals of November 1984, would substantially reduce tax preferences to the oil and gas industry. The American Petroleum Institute's best estimates are that if the Treasury proposals were enacted as proposed, they would cause a supply reduction of about one million barrels a day of oil equivalent by 1990. That's calculated by combining the effects on oil and on gas into an oil equivalent basis. The effects would be even larger by 1995 - as much as a million-and-a-half barrels a day. The proposals would make that much difference in U.S. production and therefore on excess capacity worldwide.

So, I would argue that careful thought ought to be given to the energy security implications of these tax proposals or to similar kinds of proposals.

A second area worth mentioning is access to government lands. In the United States, the great remaining unexplored areas are lands held by the Federal government, both offshore on the outer continental shelf and onshore on lands held primarily in the lower 48 states plus Alaska. I would argue for aggressive Federal leasing programs, particularly offshore where we think there's considerable potential - off California, in the Gulf of Mexico and Alaska, and onshore.

And third, a policy alternative having to do with natural gas. There have been price controls on U.S. natural gas production since 1954. Part of the market

finally has been decontrolled, but not all. Decontrolling the rest of domestic production would have some effect on supply and aggressive policies with regard to the transport of gas to encourage maximum movement of gas into the market also would be helpful.

If the three policy areas I have mentioned are combined — that is, taxes, lands access and natural gas — the supply consequences would be a few million barrels a day oil equivalent, somewhere in the range of two to three million barrels a day by the 1990s. That quantity would make a significant difference in the world. In fact, ultimately, such magnitudes are the difference between having a reasonable amount of breathing room and finding oneself in a crisis.

DR. GOLDMUNTZ: Thank you, Michael.

Dr. Benjamin Schlesinger will now discuss the domestic gas situation. Gas can be used as a substitute for oil rather directly, more directly than other fuels.

DR. SCHLESINGER: It's a little bit frustrating to talk about natural gas. For some time, I thought the real name of the fuel was "n-gas", because people refer to "oil 'n gas"... it rolls off the tongue so well.

Natural gas is an invisible fuel. And, in terms of many peoples' consciousness, particularly in the East, gas tends to be an invisible fuel because it's not as widely used as it is elsewhere — or as it could be.

Let me briefly talk about four areas: first, very briefly about supply. Second, some physical aspects of the gas industry that make it so important from a strategic perspective. Third, the economics of the fuel. And fourth, some key industry issues that I see standing in the way of increased natural gas use.

Natural Gas Supply

The physical and gas supply points generally go together. The geologists' best estimates are that, taking the proven reserves that are not yet produced together with what people believe is the resource base that has not yet been discovered but probably is there, there are perhaps 50 or 60 years of natural gas at current production rates.

That is a very cryptic number. It doesn't mean that we start a countdown today and run out in 50 years, because the more exploration that goes on and the more work there is in outreach areas (very deep areas and the like) the more gas gets found. The more people look for oil, the more they find that "nuisance", natural gas.

Bernardo's comments about crude oil — and I think he would agree — apply to natural gas as well. The only difference may be that natural gas is probably a little bit further behind oil in terms of overall resource depletion.

In the United States, natural gas is about 26% of all the energy we use, but there are major regional differences. Here in the East — that is, east of Ap-

palachia — natural gas is a rather minor fuel. People here think of natural gas for cooking and a couple of other uses, perhaps clothes dryers; and many houses are heated with gas in the East. All told, natural gas is about 15% of primary energy use east of Appalachia.

West of Appalachia, gas is about a third of primary energy use, and in the growing Southwest area, natural gas accounts for over half of all the energy used.

Natural gas markets resemble oil markets, with the exception of the big oil transportation market. As does fuel oil, natural gas serves residential, commercial, industrial, feedstocks for industry and, of course, electric generation and boilers. Gas gets sent around to users in the U.S. along about 1.1 million miles of pipeline, including distribution mains. There are some 50 million gas meters in this country serving about 160 million people. Gas is a big and pervasive fuel.

Of strategic importance is that much oil use could switch fairly readily to natural gas, in the event of an oil shortage. Not the least of the reasons for this is that much gas use has been lost to oil as a result of curtailments in the last decade, thus, much oil-burning equipment can still burn natural gas. I'd like to talk about what caused these shortages of natural gas at a time when we've got so much of it.

At this time, about three or four million barrels a day of oil use could switch to natural gas, physically. About half of this is in homes and commercial buildings around the country, and about half is in industry and electric power plants.

Of the total amount, primarily in industry, about a million barrels per day of oil use could go to gas practically overnight. This is of real importance, strategically. If there was a cutoff or shortage of oil for any reason, gas would be available because 95% of all the gas used in this country is of domestic origin. Furthermore, there is a lot of gas in North America outside the U.S. that could also be used.

For example, just the proven reserves in Canada and Mexico — the discovered, sellable, but not-yet-produced natural gas — are about the same as the lower 48 U.S. states. Alberta now has about 20% more proven reserves of natural gas than Texas. British Columbia is almost as big as Oklahoma in terms of proven natural gas reserves. Mexico has about 70 trillion cubic feet (every time you look, their proven reserve numbers change a little bit). And I agree totally with Bernardo; that the gas resource base of Mexico is very understated.

The other strategic point about the physical layout of the U.S. gas industry is its storage capability. Natural gas in storage currently amounts to about five trillion cubic feet. That's a large number; in effect, the equivalent of about two-and-a-half million barrels a day for one year. Not all this natural gas is accessible immediately, however, because it's there to serve winter peaking requirements. Nevertheless, only about half of this stored gas is drawn down every winter.

The Economics of Gas Use

Let us now turn to the economics of the fuel. In my view, there really is a very simple statement that can be made about the economics of gas use in the U.S. There are two kinds of users of gas: people who can switch to another fuel readily, and people who cannot.

One of the reasons natural gas will always be a regulated fuel is that the non-switchables (most residential and commercial users) control the politics of the fuel; whereas, the switchable users (many industrial and electric utilities) control the economics of the fuel. These two don't meet; and we're talking about different groups of people.

To many nonswitchables, natural gas is not a commodity at all, in any sense that we think of commodities. It is a human right. People demand that their utility give them gas service. To the switchables, on the other hand, gas is a commodity, and many of the switchables will switch right off gas as its price becomes higher than fuel oil.

We talked about how a million barrels a day of oil could switch onto gas if it had to. The same amount — in fact, more — of that amount of gas use could switch onto oil right away, causing a tremendous increase in oil demand in the U.S. fairly quickly.

In effect, gas markets are regulated, have been regulated for quite some time in all respects. In fact, half of the flowing gas, even though we have had decontrol in effect since the beginning of 1985, is still under price controls at this time. And, I would differ with Mike Cane about the exact effect if the price-controlled gas were suddenly to be de-controlled. In all, gas is still regulated at the wellhead to a considerable degree, and is regulated in its transmission out of the wellhead into our distribution systems. Our utility systems are regulated by state governments. In other words, there is regulation of interstate transportation of natural gas, and state regulation of the distribution of gas.

Even the use of gas is regulated. We still have a number of rules in place in the country that were designed to remove gas use, such as the Fuel Use Act, which prohibits construction of new electric power plants that burn gas (something the Japanese and others are doing). Gas is regulated from stem to stern.

We arrived at this point because, as you probably know, gas was regulated in interstate commerce for many years by unreasonably low wellhead prices, which throttled back gas production. At least, gas production that was dedicated to interstate commerce was repressed because that is where the price controls were effective. As a result, the U.S. experienced massive and recurring gas shortages in the last decade, and many people lost confidence in the use of gas.

In fact, one of the most devastating things that happened to the gas business in the U.S. was the publication of a study about ten years ago called the "Club of Rome Study". The Club of Rome announced, in effect, "We're out of oil

and we're out of gas. It's time to start switching to coal. We've got to get onto nuclear, solar and get moving with conservation programs, build houses not to use gas because we're running out of it."

Well, we're not out of gas.

Bernardo stated the case for oil supplies very eloquently, and the situation with natural gas is about the same. There's plenty left. And yet there is a whole body of rules, regulations and even a whole set of education tenets — our kids are taught that we're running out of gas, so that the "ethos", their feeling about natural gas now, is that supplies are really short-lived, even though this needn't be the case.

In fact, gas may not even be coming from "dinosaurs". Professor Herb Gold of Cornell University, believes that natural gas did not originally come from the surface of the earth on down, it's coming from the middle on up; that the deeper you drill, the more likely you are to hit gas than oil. This can be verified statistically, and methane is one of the most commonly existing elements in the earth.

Now we turn to the issues. The major issue we've described is the problem of marketing natural gas. If we can't do it effectively, it is difficult to maintain the readiness that gas has from a strategic perspective. There are many, many economic uses of gas that are not now in place and being used. In fact, natural gas is one of the most undersold commodities in the United States.

What do I mean by that? Well, shampoo, deodorant and the like may well be oversold commodities. When we imagine a downward sloping demand curve for shampoo, and a corresponding shampoo supply curve, we are probably looking at an overstated demand curve at current sales levels. With natural gas, it's the other way around. What we see today in gas sales is not what we should be seeing. There are only about two dozen electric power plants and industrial facilities in this country for which gas is the officially approved air quality control mechanism. This could be extended to hundreds of facilities.

In another example, automobiles make an excellent market for natural gas — and I can talk about that for two or three hours. I promise not to.

Another major natural gas industry issue is the structure of the business. Regulation of wellhead prices has eased, and will effectively be ended under present rules within another five years or so, as old gas still under price controls diminishes in volume.

The structure of the business is changing. Gas pipelines are not common carriers in the U.S. as they are for some other commodities, yet gas pipelines that are privately owned and are regulated, are beginning to carry large amounts of natural gas directly from the producers to utilities and users on a voluntary basis. On this basis, there's now an active spot market for natural gas. In fact, almost 15% of final consumption of natural gas is now on a spot market basis. This is very good, and very healthy for the gas industry and consumers alike.

End users are having a tremendous effect on the price of gas in the field,

and the price of gas is going down. In fact, gas prices are now below the price of competing residual oil on a net-back basis. In other words, gas is now cheaper than oil again. Thus, gas not only competes with No. 6 residual oil at the burner tip; it does so for many of the switchable users. But more importantly from a price perspective — and the reason gas is cheaper than residual oil today — is that gas competes with gas from other suppliers. The gas production sector of our economy is extremely competitive.

DR. GOLDMUNTZ: Thank you very much.

At this point, it would be worthwhile to have the audience enter our discussion. Perhaps we can arrive at an agenda for improving energy security in the United States and the security of our allies.

It's not too early to start thinking about our energy and security requirements for the next decade. Remember, a nuclear power plant, under the best of circumstances, takes seven years to build and put into operation. Oil has been discovered off Newfoundland, but it will take about 10-12 years to bring those oil fields or gas fields onstream. One has to be thinking about policies well in advance of shortages; otherwise, we will experience the shortages.

The discussion is now open.

QUESTION: There was some discussion of pipelines from Mexico to the United States both for oil and natural gas. A few years ago, when the demand fell, it appeared that we could not get together. What is the status of that pipeline to bring Mexican oil and gas into the U.S. and put it into the system? Specifically the gas, because it seemed to have created a greater controversy than did oil.

DR. GROSSLING: The fact that the pipeline doesn't exist is perhaps due to "the other Schlesinger". At the moment, we do have a gas problem; there is excess gas in the United States. But we must take a long-term view, which presents us with the following facts:

Mexico has a gas resource potential which is fairly compatible with the United States. This is not the time for them to prove what they have, however. Right now, they drill a well, find gas, and move away from it because there is no market.

There certainly is no U.S. market. But, if they reach into us via a pipeline, then that gas would come and be marketed here. It would be a constant thing, in competition with our own.

The U.S. can, and should, make it as easy as possible for a pipeline to be built in the future. One could design it in a way that has both compressors for gas and pumps for oil. The pumps could be installed later if necessary.

By "necessary" I mean that if there is a war, we could get oil from Mexico by pipeline and not tankers which risk being sunk in the Gulf of Mexico.

The Mexicans, themselves, are at the moment very wary of such a thing. I asked a friend of mine working with a Mexican think tank, "What do you think of this? If the U.S. finances it and sets very favorable terms?" He said, "Bernardo, it would be politically very difficult."

From the U.S. point of view, the question of marketing is valid, but surely this pipeline can be blended into the marketing system, and from the U.S. point of view, things can be resolved.

The real difficulty is the Mexican feeling that they were blackmailed in a way. They once were promised that the U.S. was going to buy gas at a certain price. When the pipeline was very far along, Schlesinger, then Secretary of Energy, was understood to have said, "We are not going to buy at that price — we want another price."

Mexico had wanted to make that investment, but they got stuck. The U.S. made a mistake with respect to the psychology of people. I am both Latin American and an American citizen. I know the Latin Americans, and they can never accept such a squeeze. The President of Mexico ordered everything to stop. It stopped. They lost an untold amount of money, but it didn't make any difference. The government ordered the gas used somehow in the Mexican system and the gas pipeline to be stopped in Monterrey.

So, the answer is that Mr. Schlesinger either blundered or was misunderstood.

DR. GOLDMUNTZ: The Canadian government under Pierre Trudeau had the same attitude. They wouldn't sell above a certain amount of gas to the United States and certainly never at less than \$4.50/million BTU. The current government, having experienced locked-in gas flows that haven't earned anything for Canada for five years or more, has reversed that policy.

Now, Canadian gas is selling at the border for \$3.00/million BTU and competing with American gas. They're beginning to earn some money.

There are possibilities for political changes. Under Prime Minister Trudeau, Canada was not a supplier. Under this government, Canada is a supplier.

I'm not sure that political change will be quite as quick in Mexico. In fact, I doubt it. But, they may need money at some point to pay off their debts — although at this point there's not a particular amount of pressure as long as they pay interest.

DR. SCHLESINGER: I would like to add one thing. One of the ways Mexico is "telegraphing" us right now is by charging exactly twice as much across the border for gas flowing north. And there is a small amount under contract which is not now flowing for precisely this reason. They're charging twice as much south of the border for the gas that is available from American fields just north of the border, \$4.50 vs. \$2.25 per thousand feet.

QUESTION: What happened to plans for storing gas for U.S. use in a crisis?

DR. CANES: As far as crude oil is concerned, that concept has been implemented. There is a program called the Strategic Petroleum Reserve program, in which crude oil is being stored in salt domes. The domes are leached out, big caverns are made, and then the oil is pumped in. I believe the U.S. is now up to about 450 million barrels in those salt domes.

The Administration, however, has proposed to place a moratorium on the program at the end of the fiscal year. At that time, we'll have close to 500 million barrels in storage and they're saying that's enough. So, basically for budget reasons, they want to stop it.

QUESTION: I understand from this discussion that there is a surplus of oil; that real prices are dropping; that economic activity is not rising very rapidly; that prices are high in the European market and consumption is dropping — or at least hasn't increased significantly. There is a surplus of gas in the U.S., and Canada and Mexico have discovered a great deal more. We have a Strategic Petroleum Reserve and the Energy Department is claiming that we have a sufficient amount there.

The message I seem to hear is that, in terms of U.S. security, we really don't need the strategic petroleum reserve. Is that correct?

DR. GOLDMUNTZ: Let me attempt to answer this way: A strategic petroleum reserve with a billion barrels would be better than a strategic petroleum reserve with 500 million barrels (which is what it will be if the Administration gets its way). You have to compare an increase in the deficit, which would occur by storing the other 500 million barrels of oil over the next three or four years to the increased security of doing just that. And so you have to evaluate the world situation. The Administration is evaluating that in a way that says we should stop filling the Strategic Petroleum Reserve in favor of keeping the deficit under control.

Some people say you can be more imaginative than that. A Congressman from New York has a notion that might be interesting, however, its fairly complicated and I don't think anybody's working on it seriously.

He says the banks have loaned Mexico close to \$90-95 billion. The Mexicans may repay the interest, but there's no talk about them repaying the principle in the foreseeable future. Mexico pays a great deal of interest, by the way, because it is an uncollateralized loan.

We might work out an arrangement between the Mexicans, the U.S. government and the banks and say, "Look Mexico, you fill some of the Strategic Petroleum Reserve with your oil and you retain title to it. But that oil will be considered collateral to the banks. If you don't pay back the principle, the banks

can seize the oil." Once the bank loans were collateralized, the banks should be willing to lower their interest rates. And under a scenario of worldwide catastrophe, the U.S. would be entitled to seize that oil and pay for it at the then-world-price.

The idea points out what might be done, or at least what might be attempted, in trying to get a number of good things: lower interest rates for Mexico, which is important; collateralized loans for the banks in this country, which is important for the international as well as the domestic monetary system; and a larger strategic petroleum reserve for the United States. It ought to be attempted.

The Administration, however, should not necessarily be faulted for wondering whether it's important to fill the Strategic Petroleum Reserve. Perhaps it might be faulted for not trying to be imaginative and look at alternatives that would satisfy the various parties at interest.

Laissez faire does not mean "let's be lazy about it"; I sometimes think the Administration could be accused of being lazy.

DR. GROSSLING: I would like to continue my habit of questioning the consensus - I question the general utility of the Strategic Petroleum Reserve.

To put the problem in perspective, consider the following: we consume 16.5 million barrels of oil each day. Sixteen and a half million barrels times 360 days is about six billion barrels of oil consumed by the U.S. in a year. The present size of the SPR is 500 million barrels - less than one month.

If you look at all the possible disruption scenarios, you see an impossible situation. We cannot, under any circumstances, store all we need. The real solution is to have a secure oil supply, either in the domestic industry or through secure import links. Diversifying the imports, for instance, would help.

One basic thing is to maintain healthy domestic production. If the U.S. let production fall by making an investment of \$30 billion or thereabout in the SPR; paid for that with taxes; drew the resources from the domestic industry; used them to bury a little oil in the ground; we would be very vulnerable.

The moment our domestic production falls to about 55-60% of demand, we will be very vulnerable and nothing could compensate in time for that loss of balance. If the U.S. were to lose half of its petroleum supply, there would be a collapse no SPR could shelter.

As a related issue, the SPR was established as a defense against the Arab states in the Persian Gulf. Now we are importing very little from the Persian Gulf. The main exporter/supplier for the United States is, in fact, Mexico. The situation has changed materially.

If we secure a stable link for emergency use with Mexico, the available supply increases tremendously. Proven reserves of an oil region are like an enormous tank; not a little tank that you deplete in a few months. Petroleum resources of a region have a life of 20 years or more.

And you have to consider what the SPR can reasonably achieve, and that the present investment in an SPR with the 450 million barrels is \$17 billion. It's planned to be about \$27 billion. It is worth considering seriously what you can buy with that kind of money.

QUESTION: Couldn't you solve that in part by imposing a tax on imported oil — five dollars a barrel? The ability to do that would keep the demand for oil from rising, as it is now doing. Second, you could use that money to fund alternative sources of energy — for instance, liquefying shale oil or coal and shipping it. It seems it could solve some of those problems we have discussed.

DR. GOLDMUNTZ: I'm glad you brought up the tariff because it is probably one of the more important policies the U.S. could adopt to improve security.

If the world price drops, as it has been doing, we will become more addicted to imported oil because it's cheaper than domestic oil. This is in part because we have drilled two-and-a-half million wells and the rest of the world hasn't drilled that many. They have much more prolific wells than we do and presently produce at a lower cost.

If we are not to increase our use of imported oil, we have to favor domestic sources. One way is to build a barrier for strategic purposes around the country, however you use that money. You may use it in a "revenue neutral" way — that seems to be a favorite phrase with the Administration. You may want to lower Social Security taxes by putting a tariff on oil.

Our trading partners have much higher effective taxes on imported oil than we do. We pay \$1.10 for unleaded gas, they pay \$2.50, with the difference going to the government. That's a tax, although not quite a tariff. When they complain that we're not doing our share to limit our use of oil from outside OECD countries, they're right.

QUESTION: Why does it seem so difficult to institute?

DR. CANES: The key is the way Europeans go about taxing oil. They put a very high tax on gasoline and almost none on heating oil and on heavy fuel oil.

If we put an across the board tariff on imported oil and the Europeans and the Japanese do not, then our industry would face quite a different price structure for energy than industry in Japan or Europe. That would put our industry at a competitive disadvantage relative to industry in those areas. Therefore, many analysts conclude that it would be better, if you were to tax oil, to put it on gasoline. But, it turns out that putting a substantial tax on gasoline is extremely difficult politically.

DR. SCHLESINGER: An oil import tariff would have a real impact on natural gas use, because gas can substitute for oil in so many applications, as I described. For that reason, you get a difference of opinion here in the panel on what kind of effect it would have.

I don't see a tariff having a severe effect on prices that energy consumers pay because I really believe that the exporting countries will "eat" the tariff at five dollars a barrel; that is, it probably won't affect our prices very much.

In addition, it's going to have an effect on gas use. One of the largest myths is that the New England heavy-oil-dependent region of the country resists this kind of thing because they're afraid of consumer impact. It's not going to happen.

There probably wouldn't be a consumer impact. (However, even if there would be an effect in New England, I would argue that we should agree to a tariff.) They do have prospects for using other fuels. For example, there are roughly 15 million oil-heated homes in this country. Five million of them have gas meters on them. They just use the gas for cooking. These could readily and economically move to gas. That's one example, and there are many, many more in New England alone.

DR. GOLDMUNTZ: If you're interested in a tariff on imported oil, you could write a letter to the President, and try to explain to him the difference between a tax and a tariff.

Many people in the Administration felt a tariff on imported oil was an extremely important thing for the energy security of the United States. Some of those people, early in the first term, went to see the President. Substantial officials of the Cabinet said, "Mr. President, we really think you ought to consider a tariff on imported oil."

And he said in his very pleasant way, "Tell me the difference between a tariff and a tax, because I'm not in favor of taxes, you know."

They were never able to explain that to his satisfaction, and so he's never permitted a tariff to be part of the Administration policy.

On the other hand, Martin Feldstein did get into a budget message that, if the deficit didn't come down to a certain level, one of the taxes that the Administration would have to approve would be a tariff on imported oil. So it got that far. I hope it will be considered in the future.

QUESTION: Isn't there a viable alternative in the elimination of the foreign tax credit, which is today subsidizing foreign oil?

DR. CANES: Over the years, the rules on the foreign tax credit have been changed so substantially that it is no longer a major tax preference. Also, there

is a question about whether you want American oil firms operating overseas because national companies and private companies from Europe and Japan and elsewhere do have some sort of foreign tax credit to protect them from taxation of the same income both at home and abroad.

That raises the question of whether our energy security is helped by having an American company presence in the various oil producing regions of the world. If you take away the foreign tax credit, and other countries have it, then you are going to have a lot less presence.

QUESTION: Dr. Grossling, when you speak of the resources that might be available, are you talking about recoverable resources under the present technology? If the oil is sitting at the bottom of the Mindanao, it doesn't particularly help us.

DR. GROSSLING: The figures that I have worked out are recoverable petroleum. And, I assume comparable recovery to what's happened in the past, not tertiary recovery. A total of 40% of the in-site oil being recovered.

DR. GOLDMUNTZ: Let me add one comment to that. I don't think Bernardo's numbers include what we call heavy oil - or bitumen.

DR. GROSSLING: No.

DR. GOLDMUNTZ: As you know, along the Orinoco and in Canada, and many other parts of the world, there are enormous resources of heavy oil. If you ask Exxon or other oil companies how much it costs to extract that oil and how much it costs to upgrade it to an oil that you can pipeline, four or five years ago that estimate was five to six dollars a barrel. At least that was the cost if you did it in the United States — maybe more if you did it in the Orinoco or someplace else.

To conventional oil resources you have to add these unconventional resources. You may now ask, "Why isn't this happening?" The reason it isn't happening is that it requires a large capital investment. Exxon is not likely to make a capital investment in Venezuela, having left half a billion dollars on the table in the last appropriation. And so the problem isn't just the resource, it is a political structure that allows capital investment to be made safely in these resource areas; made fairly so people can recoup something on investments they have made. And that's one of the policies that we ought to be addressing - and we will.

AFTERWORD

OPEC today is in greater disarray than most people would have predicted a year or two ago. Oil futures markets indicate that prices likely will fall from present levels, and there's no clear picture yet how far they might go. All of this is good news to energy consumers, yet it underscores the central point that markets are self-correcting mechanisms, with lower prices encouraging consumption and discouraging production. In a world oil market context, this means more utilization of OPEC producing capacity at a faster clip. Also, few OPEC countries are investing in capacity, so the amount available may be dropping. All of this means we cannot expect an indefinite continuation of present trends. The lesson of the 1970's is that it is incredibly easy to get into a situation where a reduction in oil supply severely shocks energy markets and it will be incredibly costly if that occurs. We can save ourselves a lot of trouble if we remember that lesson, and condition our energy policy actions accordingly.

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Viewing Israel's Security in 1987

In the spring of this year, JINSA held the fifth annual trip to Israel for eligible American Admirals and Generals. There were twelve officers in the group and five members of JINSA. We spent 10 days meeting with Israeli military officials and experts, studying Israel's security problems and some of the unique ways these problems are addressed. We had the opportunity to talk with Defense Ministry officials including the Minister of Defense, the Director General of the Ministry and the IDF Chief of Staff, and to spend time with commanders and troops in the field.

We visited the military industries — the Merkava tank plant, Israel Aircraft Industries, Israel Military Industries — to see homegrown Israeli technology and the partnership that has developed between Israeli and American industry. The group met with U.S. Ambassador to Israel Thomas Pickering and the trip was capped by a session with Prime Minister Shamir, during which the Prime Minister answered questions as well as addressed the issues from Israel's perspective.

No questions were off limits, discussions were frank and friendly, and several of our military guests said they were surprised at the openness of the Israelis. One pointed out that it was unlikely that U.S. officials could be so forthcoming toward foreign officers.

By the time we were done, the group had a clearer understanding of Israel's capabilities, the nature of threats Israel faces, and how those threats change over time. On our first trip in 1982, Israeli military experts viewed with alarm the transformation of the PLO in Lebanon from a guerrilla force to a conventional army. (See "Security Affairs" March 1982 for details.) Increasing threats from the PLO in Lebanon

were the first driving factor in Operation Peace for Galilee.

Five years later, Lebanon is still seen as an area from which threats to Israel originate, however under different circumstances. Syria is viewed as the most hostile Arab country although not likely to create military problems in the immediate future. And in terms of long-range Israeli security, the internal problems of the defense budget and equipment modernization must be addressed. Our group in Israel had an opportunity to ask a number of well-placed Israelis for their assessments of those and other issues.

Assessing the Threats

The group was urged to see Israel in the broader perspective of Middle East politics. One of our first meetings was with Maj. Gen. Avihu Bin Nun, IDF Chief of Planning and Air Force Chief of Staff designee, who pointed out that the region is such that had there been no Israel, there would simply have been more wars among the Arabs.

Israel's current security problems were generally defined by our hosts as including:

1. Timely mobilization of IDF troops.
2. Resources for the future.
3. The ratio of enemy assets to Israeli assets. This includes an armed forces ratio of 36:1 and a population ratio of 19:1.
4. The proximity of Israel's enemies. Flying time from Tabuk in Saudi Arabia to Elat is 17 minutes (it is one minute from Israel's border to Elat). Flying time from a Syrian base to Haifa is 7 minutes (3 minutes from the border). And flying time from the Jordanian border to Jerusalem is 15 minutes.



Merkava tank maneuvers on the Golan Heights provided one of the highlights of JINSA's fifth trip to Israel for eligible American Admirals and Generals.

5. Soviet backing for the Arab states.

The third point, the magnitude of Arab weaponry arrayed against Israel, was of tremendous concern. The eastern front (Jordan, Syria and Iraq) has 10,000 tanks. Iraq alone has 5,000. The eastern front countries have 2,000 fighter planes — more than all of NATO.

Although Iraq is presently occupied with Iran, when counting enemy forces, Iraq's numbers are included since there is not even an armistice between Israel and Iraq. (Commenting later on Iraq, Defense Minister Rabin pointed out that most of the wars in the last 100 years were lost by the initiator. Iraq, he said, realized two years into the war that it was hopeless and is now only fighting to return to the status quo ante.) Against standing eastern front armies, Israel is outnumbered 6.5:1 in divisions; 6:1 in tanks; 16:1 in artillery pieces; and 14:1 in fighter planes.

Egypt, of course, is technically not included, and for the first time since we began our trips, there didn't seem to be much indication that the Israelis believed Egypt might be included in the near future.

Security Strategy for Israel

The best way to ensure Israel's future security is to secure peace. We heard time and again that the IDF is fully capable of defending Israel, but that it is essential to have a political resolution with Israel's neighbors. Until that is possible, Israel's defense force has to serve as a deterrent, meaning to have a force strong enough — and understood to be strong enough — to make the cost of a first strike against her by the Arabs unacceptably high to them.

Deterrence is a defensive strategy, which Bin Nun considers best. "We have nothing to gain by attacking anyone. However, it should be clear that we

have an operational concept that says we will take any battle that begins and move it outside our borders as quickly as possible. Israel has no strategic depth."

Rabin concurred, saying, "There is no war to end all wars, but the Arabs must understand that our retaliation will be decisive."

In order to maintain a deterrent force over time, Israel must maintain her qualitative edge in the face of the overwhelming Arab quantity of arms. This is similar to NATO strategy in facing the Warsaw Pact. According to Bin Nun, the first element in assuring that edge is human and that discipline comes best through motivation. "We rely, as you do, on technology — C3I, ECM, etc. But we also rely on I3L — intelligence, intuition, improvisation and luck!"

Compulsory service means that the military can evaluate the abilities of all of the country's young men and women (with certain exemptions) and encour-

(Cont. p. 6)

Nathan Perlmutter

With profound sorrow we mark the passing of Nathan Perlmutter, National Director of the ADL and member of JINSA's Board of Advisors.

Nate was an advisor in practice, not only on our letterhead. He helped JINSA develop approaches to issues and to people. He believed strongly in a United States willing and able to come to the aid of its allies including Israel, and said in an interview, "I am ... concerned by an isolationism that may deprive America's strongest ally in the Middle East of needed support."

A World War II Marine Corps volunteer, Nate brought to American Jewish community leadership and to JINSA an understanding of, and appreciation for, the role of the military in a free society. He wrote, after learning he had cancer in 1985, that "You're supposed to see your life go by at times like this. What did I do with mine? My mind is smiling at what I feel I've accomplished. I married the prettiest girl in the neighborhood. I made it to Marine infantry officer, wrote a few books and became director of ADL."

He also gave the American Jewish community strength and leadership at critical times and gave JINSA the benefit of his wise counsel.

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EDITORIALS

The Soviet Thrust in the Middle East

Despite the recent visit to Israel by the first Soviet delegation in 20 years, a resumption of diplomatic relations is not likely to occur any time soon. Both Israel and the Soviet Union are on record as having serious preconditions to the reestablishment of full diplomatic relations. The Soviets insist Israel must withdraw from all territory captured in the Six Day War (including the Golan Heights and East Jerusalem) and talk with the PLO. Israel stoutly rejects these positions and demands freedom for Soviet Jews.

There are obvious reasons why the Soviets will not get what they want (see "Defensible Borders," this issue).

On the other side the Soviets insist that the issue of Jews, and every other ethnic and religious minority is an internal one. So, while the refusenik community wants the right to emigrate, the Soviets have made suggestions about a kosher restaurant, more rabbis, and possibly a more lenient look at "family reunification." Meanwhile, under the conditions that presently exist for emigration, while more Jews are receiving permission, many more are also being refused for "reasons of state security" — the one "reason" that cannot be challenged in the bureaucracy.

If there is small chance of reestablishing diplomatic relations, why did the Soviets bother sending a consular delegation to inspect "church property" — surely an ironic mission. Why the increase in exit visas? Why the talk about religious observance?

The answer most likely is that the Soviets are attempting to address an American audience. Along with their attempts to seem helpful in the Persian Gulf, the very tiny steps that have been taken toward Israel and toward improving the situation of Soviet Jews are aimed at depicting the Soviet Union, in American eyes, as a more reasonable Opposite Number.

The Soviets want to be taken seriously by the U.S. as a superpower in the Middle East, but at the moment their clients consist only of the most irredentist states and groups in the area: Syria, Libya, Iraq, Yemen, the PLO and other terrorist organizations. Soviet trade and parliamentary delegations have been visiting the conservative Arab states on an ongoing basis in an attempt to broaden the Soviet base. Incrementally changing the atmosphere with Israel is another step in that direction, one that is intended to go down especially well with the American Jewish community.

Ultimately, it is clear that the Soviets hope to make a place for themselves as a full-fledged partner with the U.S. in any international peace conference — or, more likely in the short term, any other negotiations involving the Middle East, such as mediating in the Iran-Iraq war. Accomplishing that would make the Soviets a more credible champion of the radical Arab states, increase the pressure on conservative states to avoid entanglements with the U.S. (or the temptation of a milder view toward Israel) and give the PLO a new lease on its ability to sustain a position of intransigence.

There is a non-Middle East-related side to the Soviet machinations. The Soviets want an arms control agreement with the U.S. and better access to Western technology. However, when they approach the U.S., one of the stumbling blocks they find is U.S. insistence on certain human rights improvements — particularly involving Soviet Jews. Movement, or apparent movement, on that issue plays to those who keep human rights on the U.S. agenda.

There is, therefore, strong reason for both the U.S. and Israel to be exceedingly cautious about current Soviet actions in the Middle East. The new "flexibility" shown by the Soviets makes them a more formidable diplomatic presence because there is no evidence that their objectives have changed.

No More U.S. Arms for Jordan?

King Hussein of Jordan has announced that he is no longer planning to request arms from the U.S. He is tired of being denied and henceforth will take his business elsewhere. He would like to go to Europe, but has trouble paying cash. The Soviets are making very generous offers, but he likes neither their weapons nor their politics. Should the U.S. worry? We think not.

First, we feel compelled to ask what weapons Jordan feels it needs and why. Israel poses no threat to Jordanian security as long as Hussein continues to control potential terrorists along the border and doesn't enter into Arab military pacts designed to threaten Israel. Syria does threaten Jordan, but Syria is preoccupied in Lebanon and not likely to mount a major attack on Jordan. Should the situation change and Syria make a major move southward, Israel would consider that a *de facto* attack on Israel and respond accordingly. In effect, Jordan's security against Syria is Israel.

Jordan is not in need of a massive army, although Arab sovereign pride requires an adequate armed force. The next question is from whom will they acquire it?

On this question, Israelis have privately described the conundrum they face: on the military level, Israel prefers for her adversaries to have Soviet weapons rather than the best of the West. However, since arms come with a certain amount of influence, on the political side Israel prefers for the Arabs to maintain their arms ties with the West rather than the Russians.

The U.S. has supported Jordan in a variety of ways over the years (including encouraging Israel to threaten Syria in order to keep the Syrians out of the Jordanian Civil War in 1970). At the same time, the U.S. has tried to ensure that Israel maintains the necessary qualitative military edge against the balance of hostile forces in the region. All the while, the U.S. has told Jordan in clear terms that the major obstacle to further arms sales is the lack of peace with Israel — a step King Hussein feels unable to take.

On the subject of hardware, Jordan and the U.S. are at an impasse. But there are other bilateral and regional issues, and in many ways Jordan's wish list coincides with ours. No matter where Hussein gets his weapons, the long-term interests of Jordan will probably not change much: a quiet border with Israel; no Palestinian state wedged between Jordan and Israel; the Syrians at bay; relative prosperity for Jordanians in hopes of keeping revolutionary fervor to a minimum; and an outside chance that his son will succeed him despite the fact that the kingdom contains more Palestinians than Bedouins.

King Hussein is a practical man. While we understand his frustration on one level, we believe he understands our position. There is a great deal the U.S. and Jordan can accomplish together. With arms sales to Jordan removed as an issue between us, proper attention might be focussed on other levels of the relationship. The U.S. should make it clear that we are sorry he has a problem with the pattern of U.S. arms sales, but nevertheless Jordan and the King's political survival continue to be important to us. We believe he will see our point.

Would It Were So

Two major American newspapers sent correspondents to the same press conference to hear Kuwait's Crown Prince Sheikh Abdullah Salim Sabah discuss the refueling of Kuwaiti vessels by the U.S. They came away with somewhat different versions of the event.

The *Washington Post* called its story, "Kuwaiti May Offer Support Facilities" and its correspondent reported that "The Crown Prince... offered to discuss providing military support facilities for the American air and naval forces taking up escort duty for Kuwaiti shipping."

The *New York Times* headline read, "Kuwaiti Warns U.S. Bears Risk if Clash Occurs," and its story began, "Kuwait's Prime Minister sought today to dissociate his country from any hostilities in which the United States may become involved while protecting Kuwaiti tankers in the Persian Gulf."

Both correspondents heard the Crown Prince say, "These are now American vessels carrying the American flag."

The discrepancies in reporting have less to do with the two papers than they do with what was actually happening. The Arab states have long desired a U.S. presence in the Gulf region that is no more nor any less than THEY are comfortable with. But what they are comfortable with does not correspond with what America needs to do the job. The Crown Prince, therefore, apparently was trying to avoid antagonizing the U.S., without offending his own people or giving an opening to his enemies. One correspondent evidently heard the positive message and the other the negative message.

The *Washington Post* reported the Crown Prince's "answer to an American correspondent who asked why Kuwait sought U.S. military protection but at the same time refused to allow U.S. ships and aircraft basing or overflight rights of Kuwaiti territory. 'I'm sure members of the American (Defense) department know our position that we are not ready to offer air bases or naval bases,' he said. But he later added, 'In the case that the Americans need some of our facilities, this could be discussed.'"

The *New York Times* interpreted that answer as meaning, "The Prime Minister ruled out granting base rights to U.S. air and naval forces protecting the tankers but hinted that more limited supply installations might be negotiated."

We hope *The Post* is right and that there is potential for U.S./Kuwaiti and U.S./other Gulf-State military cooperation. Having taken on the task of protecting shipping, the U.S. may well find that help from the Gulf states is required to supplement the resources we can deploy.

Closer operational ties between the U.S. and the Gulf states can serve several broader mutual interests as well: to deter the Soviets from establishing a stronger presence in the Gulf; to help prevent the takeover of conservative oil states by radical elements; to assure the free flow of oil to the West; to lessen the tendency of Arab states to see the U.S. in terms of arms sales alone; and to provide a buffer between Israel and the conservative states allowing both to pursue policies that are not mutually antagonistic.

We hope *The Post* put the right twist on things, but the Crown Prince's words — followed later by insensitive Kuwaiti comments — don't give us much ground for optimism.

Security Affairs

JINSA is committed to explaining the link between U.S. national security and Israel's security, and assessing what we can and must do to strengthen both.

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Testimony Before House and Senate Select Committees; Openings to Iran

by Michael A. Ledeen

Ed. Note: One aspect of the Iran/Contra affair not fully covered by the televised portion of the Select Committee hearings is that of the opening overtures to Iran. Michael A. Ledeen, a member of HNSA's Board of Advisors, took part in those discussions. Although interviewed by the Committee staff, he did not testify publicly. We therefore are pleased to provide to our readers the opening text of his testimony which gives insight into the role of consultants in the U.S. government as well.

Professor Ledeen is an historian specializing in Modern Europe and contemporary mass movements. He is the author of books on various historical and international questions ranging from the fall of the Shah to an analysis of Italian politics and society. He has been executive editor of *The Washington Quarterly*, Special Adviser to the Secretary of State, and a Senior Fellow in International Affairs at the Center for Strategic and International Studies in Washington.

Working for the Government

From the time I left full-time employment at the Department of State, until last December, I did some part-time consulting for the government of the United States, specifically, for the Undersecretary of State for Political Affairs, the Office of the Secretary of Defense and the National Security Council. In that capacity I was asked to perform a variety of tasks, including supervising the creation of a public archive for the documents captured in Grenada, co-editing a volume of selected documents from the archive, helping to analyze the ongoing problem of international terrorism and to formulate methods for combating it.

This occasional work for the Federal Government was undertaken at the request of officials in the three agencies, as is appropriate for part-time consultants. The work I did for the Government of the United States was carried out at their instruction and under their supervision. Insofar as I was required to deal with classified information, I was the object of periodic background examinations, and on each occasion was cleared for Top Secret and periodically for Special Compartmentalized Intelligence. As is customary, I was paid an hourly or daily stipend for my work for the government. The only income that I received as a result of my activities in the Iranian matter was the hourly stipend I was paid by the National Security Council, along with reimbursement for most of my out-of-pocket expenses. This was the case for all the work I did as a consultant for the American Government, for I was subject to the same professional and ethical standards as a consultant as when I was a full-time official of the Department of State, and I faithfully observed these standards.

Openings to Iran

I became involved in the Iranian matter in May 1985, because the National Security Advisor recognized that, while Iran is a country of great geopolitical importance to the Western world,

the United States government's knowledge of Iran, and its role in international terrorism, was shamefully inadequate. Foreign experts had told us that they believed the Government of Israel possessed the best understanding of these subjects. I had gotten to know Mr. Shimon Peres — along with several other Socialist and Social Democratic leaders who subsequently became heads of their national governments — in 1981-82, having been instructed by Secretary of State Haig to maintain contacts for the Department of State with Socialist International. At the time, Mr. McFarlane was Counselor in the

views or decisions to the other participants, and did so.

The Disagreement on Policy

As events unfolded in the autumn of 1985, I came to disagree with a central policy objective adopted by the Government of the United States. I believed that while Iran was of great strategic importance to us and our Western allies, it was a mistake to barter with the Iranian regime for the release of American hostages in Lebanon. I felt that we needed to judge the real intentions of the Iranians with whom we were in contact by the late autumn of 1985, who claimed that it was possible to achieve a

"The original initiative was wise and necessary, and held considerable promise. It was overwhelmed by the . . . matter of the hostages. . . (But) this was not the result of some aberrant structure."

Department of State, and he was fully informed of my activities.

Indeed, I believe that it was in part my acquaintance with, and understanding of, many of the individuals and ideas in such pro-Western Socialist and Social Democratic parties that led Mr. McFarlane to hire me at the National Security Council. It was therefore logical for Mr. McFarlane to ask me, as he did, to approach Prime Minister Peres in May 1985 to see if Israel and the United States could share information to increase our understanding of Iran, and its role in international terrorism.

As a part-time consultant I could devote some time to research; I was familiar with Iranian problems, having written a book about Iran in the recent past; I was knowledgeable about the general subject of international terrorism; and I was on good terms with the new Prime Minister.

Parenthetically, I might add that this was not the only time I, as a consultant, was asked to speak to the head of a foreign government on behalf of the Government of the United States; I did so on three other occasions unrelated to the matters that concern these Select Committees — once in the midst of a major international incident, the Achille Lauro affair. On other occasions, I was asked to speak to lower-ranking foreign officials.

Maneuver Ghorbanifar

Following my discussions with Prime Minister Peres, I was asked to meet with an Iranian now living in Western Europe. Mr. Manueh Ghorbanifar, I participated in discussions — in an effort to develop a better understanding of Iran — with Mr. Ghorbanifar and the Israelis that led to the first Israeli shipment of TOW missiles in August-September of 1985, the suspected use of terrorist attacks against Americans and American targets by Iranian-sponsored groups, and to the September release of the Reverend Benjamin Weir. I did not negotiate for the United States; I listened, discussed possibilities, and reported back to Mr. McFarlane. On some occasions I was asked to convey specific

fundamental improvement in both Iranian policies and the relationship between our two countries. I did not believe we could reach a sound judgment on this important matter if the discussions revolved around exchanges of weapons and hostages, for so desperate was the Iranian need that they would resort to all manner of deceit and illusion to keep the weapons arriving.

At about the same time, I became convinced that, in order to accurately evaluate the possibilities of a changed relationship with Iran, it would be necessary to expand our contacts with Iranians. In my opinion, such a project exceeded the capacities of the National Security Council, and I consequently recommended to Mr. McFarlane that, if expanded contacts were to take place, this would best be done by a professional intelligence organization.

The Role of Consultants

A part-time consultant is of course not a policy maker, and I did not participate in the discussions within the United States Government that led to

the formulation of the original Iran policy in 1985, or the "second phase" the following year. However, one of the reasons that the American Government employs part-time consultants is to hear opinions that may differ with established policy, and I expressed my disapproval of the arms-for-hostages policy to officials of the National Security Council beginning in early October, and continuing until the end of the first phase, when Admiral Poindexter asked me to discontinue my work on Iran.

I continued to serve as a consultant to the NSC on terrorism and other issues throughout 1986, and, as I believe these Committees are aware, insofar as I was able to reach leading American policy makers, I tried to convince them to change this policy, and concentrate their energies on the political possibilities concerning Iran.

I believed, and continue to believe, that the United States must find a way to develop and conduct a coherent strategy with regard to Iran. I believe that the original initiative was wise and necessary, and held considerable promise. It was overwhelmed by the emotionally-charged matter of the hostages, just as the Israeli and French Governments earlier undermined their own policies by an excessive preoccupation with the release of their people from Lebanon. In my opinion, the policy of the United States Government came to be mistaken, but I do not believe that this was the result of some aberrant structure or extraordinary process; it was rather the consequence of human fallibility, for which there exists no legislative or structural remedy. We must now try to learn from our mistakes, and return — with an urgency underscored by current events — to the search for a serious Iran policy.

Finally, there has been much talk about the "privatization of foreign policy" in connection with this affair, and I agree with many of these concerns. However, in the first phase of the Iran affair, to the best of my knowledge there was no such phenomenon. I acted under instructions from the National Security Advisor and I believed that the policy decisions on which Mr. McFarlane based his instructions to me were made by the appropriate officials after due consideration and discussion. I acted at the behest and in the interest of the United States Government.

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Defensible Borders

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Middle East Boundaries
Signed: Earle G. Wheeler, Chairman
Joint Chiefs of Staff
Date: 29 June 1967
Appendix: Discussion of Key Israeli Border Issues; Map

Ed. Note: The following memorandum was declassified in 1984 and "Security Affairs" published it then. Now, as the U.S., Israel, Jordan and other interested parties discuss the possibility of and the conditions for an international peace conference, the chief purpose of which is to settle border issues between Jordan and Israel, it is important to review the U.S. Joint Chiefs of Staff assessment of secure borders for Israel, as well as specifying adjustments in the 1949 armistice lines needed to make Israel militarily defensible. A check with the Pentagon indicated that no revision of this memorandum has occurred or has been contemplated.

Memorandum for the Secretary of Defense Subject: Middle East Boundaries

1. Reference is made to your memorandum, dated 19 June 1967, subject as above, which requested the views of the Joint Chiefs of Staff, without regard to political factors, on the minimum territory, in addition to that held on 4 June 1967, Israel might be justified in retaining in order to permit a more effective defense against possible conventional Arab attack and terrorist raids.

2. From a strictly military point of view, Israel would require the retention of some captured territory in order to provide militarily defensible borders. Determination of territory to be retained should be based on accepted tactical principles such as control of commanding terrain, use of natural obstacles, elimination of enemy-held salients, and provisions of defense in-depth for important facilities and installations. More detailed discussions of the key border areas mentioned in the reference are contained in the Appendix hereto. In summary, the views of the Joint Chiefs of Staff regarding these areas are as follows:

a. *The Jordanian West Bank.* Control of the prominent high ground running north-south through the middle of West Jordan generally east of the main north-south highway along the axis Jenin-Nablus-Bira-Jerusalem and then southeast to a junction with the Dead Sea at the Wadi el Daraja would provide Israel with a militarily defensible border. The envisioned defensive line would run just east of Jerusalem; however, provision could be made for internationalization of the city without significant detriment to Israel's defensive posture.

b. *Syrian Territory Contiguous to Israel.* Israel is particularly sensitive to the prevalence of terrorist raids and border incidents in this area. The presently occupied territory, the high ground running north-south on a line with Qaiaira about 15 miles inside the Syrian border, would give Israel control of the terrain which Syria has used effectively in harassing the

border area.

c. *The Jerusalem Latrun Area.* See subparagraph 2a. above.

d. *The Gaza Strip.* By occupying the Gaza Strip, Israel would trade approximately 45 miles of hostile border for eight. Configured as it is, the strip serves as a salient for introduction of Arab subversion and terrorism, and its retention would be to Israel's military advantage.

e. *The Negev-Sinai Border.* Except for retention of the demilitarized zone around Al Awja, and some territory for the protection of the port of Eilat, discussed below, continued occupation of the Sinai would present Israel with problems outweighing any military gain.

1. *The Negev-Jordan-Aqaba-Sinai of Tiran Area.* Israel's objectives here would be innocent passage through the Gulf of Aqaba and protection of its port at Eilat. Israel could occupy Sharm ash-Shaykh with considerable inconvenience but could rely on some form of internationalization to secure free access to the gulf. Failing this, Israel would require key terrain in the Sinai to protect its use of the Strait of Tiran. Eilat, situated at the apex of Israel's narrow southern tip, is vulnerable to direct ground action from Egyptian territory. Israel would lessen the threat by retention of a portion of the Sinai Peninsula south and east of the Wadi el Gharbi then east to an intersection with the Gulf of Aqaba at approximately 29°20' north latitude.

3. It is emphasized that the above conclusions, in accordance with your terms of reference, are based solely on military considerations from the Israeli point of view.

For the Joint Chiefs of Staff
Signed
Earle G. Wheeler



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APPENDIX

I. The Jordanian West Bank

a. *Threat.* The Jordanian-Israeli border is 330 miles in length extending from the Gulf of Aqaba northward to the Dead Sea, thence following the armistice demarcation lines and the Jordan River to the Syrian frontier. This border area has traditionally been lightly held by military forces and defenses consisted mainly of small, widely separated outposts and patrols and therefore, afforded an area where launching of saboteurs and terrorists into Israel was relatively easy. During the period January 1965 to February 1967, a total of 53 incidents of sabotage and mining activity took place along this border. These activities resulted in three killed, 35 wounded, and damage to houses, roads, bridges, railroads, and water and electric power installations in

killed and 18 wounded. Control of the dominant terrain affords Syria a military route of approach into northern Israel; however, the greatest threat in this sector is from terrorism and sabotage.

b. *Requirement.* Israel must hold the commanding terrain east of the boundary of 4 June 1967 which overlooks the Galilee area. To provide a defense in-depth, Israel would need a strip about 15 miles wide extending from the border of Lebanon to the border of Jordan. This line would provide protection for the Israeli villages on the east bank of Lake Tiberias but would make defending forces east of the lake vulnerable to a severing thrust from Jordan to the southern tip of the lake. The Israelis would probably decide to accept this risk. As a side effect, this line would give the Israelis control of approximately 35 miles of the TransArabian pipeline.

around Al Awja, containing the main north-south, east-west road junction in eastern Sinai and the major water source in the area, is the principal feature providing military advantage.

b. *Requirement.* Except for an adjustment of a portion of the boundary tied to the defense of Eilat, discussed below, and retention of the demilitarized zone around Al Awja, no need is seen for Israeli retention of occupied territory in the Sinai.

6. The Negev-Jordan-Aqaba-Strait of Tiran

a. *Threat.* There are only five incidents of sabotage in this area during the period January 1965 to February 1967. Israel's chief concern in this area is free access through the Strait of Tiran and the Gulf of Aqaba and protection of

Eilat, Israel's chief oil port and trade link with the West African countries. Eilat, being at the apex of Israel's southern tip, is vulnerable to interdiction from Egyptian territory.

b. *Requirement.* To provide Israel with sufficient depth to protect the port, the boundary should be established approximately 20 miles to the west along the Wadi el Gerai, south to its headwaters, then east to a point on the Gulf of Aqaba at approximately 29°20' north latitude. In the event an international guarantee for free passage of the Strait of Tiran and the Gulf of Aqaba is not provided, Israel would feel compelled to occupy key terrain in order to control the entrance to the Strait.

7. See attached map.

(On the Golan Heights) Israel would need a strip about 15 mi. wide extending from the border of Lebanon to the border of Jordan. . . As a side effect, this line would give the Israelis control of approximately 35 mi. of the TransArabian pipeline.

Israel. Instances of exchange of small arms fire occurred quite frequently. The majority of these events took place from the Mount Hebron and Aravah areas where the Jordanian authorities did not take sufficient measures to protect against line crosses and saboteurs. The high ground running north-south along the middle of West Jordan overlooks Israel's narrow midsection and offers a route for a thrust to the sea which would split the country in two parts.

b. *Requirements.* A boundary along the commanding terrain overlooking the Jordan River from the west could provide a shorter defense line. However, as a minimum, Israel would need a defense line generally along the axis Bardala-Tubas-Nablus-Bira-Jerusalem and then to the northern part of the Dead Sea. This line would widen the narrow portion of Israel and provide additional terrain for the defense of Tel Aviv. It would provide additional buffer for the air base at Beerbeha. In addition, this line would give a portion of the foothills to Israel and avoid interdiction by artillery in the Israeli villages in the lowlands. This line would also provide a shorter defense line than the border of 4 June 1967 and would reduce the Jordanian salient into Israel. It also provides adequate lines of communication for lateral movement.

2. Syrian Territory Contiguous to Israel

a. *Threat.* The border between Syria and Israel extends approximately 43 miles. It extends from a point on the Lebanese-Syrian border east to the vicinity of Banayash, south to Lake Tiberias, then south along the eastern shore of the lake to the Syrian-Jordanian border. During the period January 1965 to February 1967, a total of 28 sabotage and terrorist acts occurred along this border. In addition, there were numerous shellings of villages from the high ground overlooking the area southeast of Lake Tiberias. Casualties were seven

3. The Jerusalem-Latrun Area

a. *Threat.* These areas have been the scene of intermittent trouble over the years as both Jordanians and Israelis have been illegally cultivating lands in the area between the lines. Only one serious incident occurred in this area during the period January 1965 to February 1967.

b. *Requirement.* To defend the Jerusalem area would require that the boundary of Israel be positioned to the east of the city to provide for the organization of an adequate defense position. On the other hand, if Jerusalem were to be internationalized under the United Nations, a boundary established west of the city could be defended in accordance with the concept in paragraph 1, above.

4. The Gaza Strip

a. *Threat.* During the period 1949-1956, prior to the Suez war, numerous infiltrations and terrorist raids were mounted by Egypt from the Gaza Strip. However, with the establishment of the United Nations Emergency Force in 1957, based in the Gaza Strip and along the Sinai border, the situation has been quiet. Only three events of sabotage occurred in this area during the period January 1965 to February 1967. The Strip, under Egyptian control, provides a salient into Israel a little less than 30 miles long and from four to eight miles wide. It has served as a training area for the Palestine Liberation Army and, despite the few incidents arising in this area of late, it is significant to note that one of the first actions by the Israelis in the recent conflict was to seal off the area from the Sinai.

b. *Requirement.* Occupation of the Strip by Israel would reduce the hostile border by a factor of five and eliminate a source for raids and training of the Palestine Liberation Army.

5. The Negev-Sinai Border

a. *Threat.* This area has not presented any border problems since establishment of the United Nations Emergency Force in 1957. The demilitarized zone

NEW SOVIET DEMANDS: While in Israel, Soviet officials added new demands to be met before an international peace conference in the Middle East, including that the U.S. and Israel agree to the Palestinians' right to self-determination even before the conference begins.

NEW IRAQI REACTOR?: According to a British monthly publication, Iraq is beginning to build a new nuclear reactor in the northern part of the country with the help of France and Italy. The site is supposedly defended by an anti-aircraft missile system. The British magazine further reports that the old reactor near Baghdad is being repaired by Soviet experts.

PLO PILOTS: A PLO official speaking in Tunis reports that the PLO has 200 Algerian and Yugoslavian-trained pilots who are deployed in Nicaragua (15), Libya (30), and Iraq. The Iraqi contingent will, according to the official, rise to several dozen in the near future. He denied that any pilots had been trained in the Soviet Union or the East bloc.

SOVIET WARNING: The Soviet Union has warned Israel about continued development of a medium-range missile capable of carrying a nuclear warhead. In a Hebrew-language broadcast to Israel, Radio Moscow said the Jericho II missile is "a nuclear challenge to the Soviet Union and a threat to its security."

The commentator said that while the Soviets are offering to eliminate all Soviet and U.S. medium-range missiles from Europe and Asia, the U.S. is seeking to offset such a possibility by having its allies deploy missiles in its stead. "The Israelis will be the guardians of Asia," according to Radio Moscow.

ANTI-SPY LAWS: A Japanese group, the Japanese National Committee for Anti-Espionage Legislation, has stepped up its eight year old campaign for such laws in Japan. There is some resentment of anti-spy laws because they are seen as a form of American control of the Japanese government, but in light of the recent Toshiba case involving the sale of militarily significant technology to the Soviet Union, 54% of the local assemblies of Japan have passed resolutions favoring the legislation.

DEFENDING DEFENSE: A Gallup poll shows that 50% of the Americans polled in April believe the U.S. is

spending too little or about the right amount "for defense and military purposes," as compared to 44% who think we spend too much. In January 1985, 47% thought it was too little or about right, compared to 46% who thought it was too much. An ABC-News/Washington Post poll asked whether the government should make "substantial cuts in military spending to reduce the budget deficit or not?" In January 1987, 51% said yes and 47% said no; in January 1985, 59% said yes while 37% said no.

BUT MISINFORMED: A Committee on the Present Danger poll showed that 64% of those polled thought the U.S. already had a system to defend against a nuclear missile attack; 28% thought the U.S. spends more than 30% of GNP on defense (the actual figure is 6.2%); 89% thought the U.S. has more nuclear weapons now than we did 20 years ago (we have only 2/3 as many); and 91% thought we have more explosive power in nuclear weapons than we did 20 years ago (total explosive power is only 1/4 of what it was in 1967).

ON THE OTHER HAND: 71% don't trust the statements of Soviet leader Gorbachev on arms control and 66% believe the Soviets are violating existing arms control agreements.

PALESTINIAN PARTY: A group of Palestinians in the West Bank has formed a political action group with Jordanian backing to lobby for PLO renunciation of terrorism and acceptance of UN Security Council Resolution 242. The group is made up primarily of businessmen and professionals with political ideas similar to those of King Hussein. They emphasize that they are not opposed to the PLO.

GREEK REFERENDUM: The future of U.S. military bases is to be decided in a referendum, and Greek Prime Minister Andreas Papandreu has said no agreement permitting their use will be signed between the U.S. and Greece until the results of the referendum are known.

SAUDI THANKS: An El Al jet played radio relay for a Saudi Arabian airliner that apparently could not hear the Nicosia, Cyprus flight controller. The El Al captain heard the flight controller using the Saudi language to increase its altitude, but the Saudis appeared not to hear. The captain then offered to act as

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NEWSBRIEFS

Israel's Security

(Cont. from pg. 1)

age those with needed skills to remain after conscription to become career officers. Those who go to officer candidate school sign up for four more years, pilots for seven and submariners for five extra years. And even those who leave for civilian careers remain part of the skill pool on which Israel can draw — reserve duty means the military can continually evaluate the contribution the reservist can make to national security and use him or her to advantage.

The morale problems suffered by the IDF after Operation Peace for Galilee and the prolonged period in Lebanon were nowhere in evidence. Several members of our group, in fact, expressed concern that the IDF may be feeling overconfident. Retiring IDF Chief of Staff Moshe Levy, took the view that rather than overconfidence, "there is a trend toward taking responsibility. Two years ago, candidates for officer school didn't want to go; now they volunteer. Reenlistments are also up."

Countering Western Technology

One of the newer problems Israel has faced is the increase in Western weaponry in Arab arsenals. From all of our meetings with military officers — Gen. Bin Nun, General Levy, Director General David Ivry and Defense Minister Rabin and others — we understood that while the U.S. generally considers threats in terms of countering Soviet weapons, Israel has to counter the best of Western weapons as well. (Ed. Note: These discussions took place before the Iraqi attack on the USS Stark, which was carried out with French missiles.) The Soviets presently supply 40% of the region's weapons. Europe supplies about 38% and the U.S. about 20%, meaning that over half is coming from the West.

Bin Nun expressed the belief that it is militarily better for Israel to face Soviet weapons than American ones, however, he recognized the importance of U.S. influence with Arab countries. This raised a difficult question from the group: If the U.S. does not sell arms to certain Arab countries, the Soviets will. Since arms sales and influence are sometimes hard to separate, what will this do to U.S. influence in the region? Bin Nun replied that Israel's military preference might differ from its political one. He was also not convinced that the Arab states would turn to the Soviets. Rather, he pointed out, they threaten to go to the Russians, but they tend to buy from the Europeans.

Strategic Cooperation

All of our hosts were pleased with the nature of U.S.-Israel strategic cooperation. During our visit, a meeting of the joint military-political committees took place, designed to assess current joint projects and determine new ones.

The Defense Minister expressed pride in the fact that Israel has not asked and will not ask for a U.S.-Israel defense pact, saying that Israel can defend itself against any combination of threats it faces as long as it has the means. "Our strength is not limited by numbers, only hardware."

"Our IDF would have been entirely different if not for the cooperation of the U.S.," said Gen. Levy, the outgoing IDF Chief of Staff.

Syria

It was clear throughout that Syria poses the greatest military threat to Israel, and we were able to meet with Professor Itamar Rabinovich, head of the Dayan Institute for Middle East and African studies and expert on Syria. He began with the observation that since 1982 both the U.S. and Israel had been defeated by Syria.

Since 1970, Syria has been a secretive, but stable military-Ba'ath party-regime, with the military predominating. President Hafez Assad is the longest term ruler Syria has had since its independence. The Ba'ath party itself is a combination of socialism and Arab nationalism.

The Alawite sect from which Assad comes comprises only about 8% of the total population. However, when the Ba'ath party took power in Syria, the military was heavily Alawite, therefore they took control. Now their problem is to preserve their power. They are ruthless — as was clear even before the massacres at Hama in which upwards of 20,000 people were killed by the gov-

The Soviets supply 40% of the region's weapons. Europe supplies about 38% and the U.S. about 20%.

ernment) but they know there will be revenge taken someday.

To help fortify this as long as possible, Alawites are now recruited for the military and placed in specific slots to ensure control of the army and air force. Sunni career officers are carefully watched by one of the several Syrian security services operating. (40 non-Alawite air force officers were executed recently in the aftermath of a coup attempt.)

Assad appears to have a number of goals at present:

1. To stay in power and plan for a succession. His son is still too young, however he is in the military and rapidly rising.

2. To dominate the region comprising Lebanon, Jordan and "Palestine." "He knows he cannot be the leader of the Arab world since he is an Alawite, but he wants to be a large-scale Arab leader and deal with both superpowers," one Syria-watcher told us.

3. To shed the responsibility of the Golan Heights. "He was Defense Minister in 1967. He lost the Heights in a war and he wants it back militarily. A 'snatch maneuver' to grab a piece of land in a limited military operation and then hope to negotiate for the rest of it is a possibility, but not very likely. Assad knows how to start a war, but he is unsure how it will end. The October War (1973) left him worse off."

4. To improve the economy. The economy has been worsening for a long time and the Soviets appear unwilling to increase their commitment — Syria now owes the Soviets an estimated \$18 billion for weapons they have received. The Syrian army is reducing its ground force. However, since a small, efficient army may be more dangerous, Israel cannot necessarily look upon that as entirely good news.



Members of the group visited several of Israel's military industries, including the production line of the mini-RPV.

5. Lebanon. Syria has hegemony there, but Prime Minister Peres has pointed out often that it is not a great place to have hegemony. Following the Syrian re-invasion of Lebanon in early 1987, there was a period of relative calm. However, the militias have taken to the streets again, and Lebanon presents a bigger immediate problem for Syria now than does Israel.

According to Rabinovich, Assad has incentive to play the spoiler in any U.S. brokered settlements in the region, and has that capability. On the other hand, "he can live with the status quo. If nothing changes, the Syrian-Israeli border should remain quiet. But, if Jordan gets close to peace with Israel, there will be Syrians who say, 'Egypt got Sinai, Jordan is getting the West Bank, what are you going to do about the territory you personally lost in 1967? Either go to war or make peace.' Then the Syrian-Israeli situation will heat up."

On the subject of Syrian-Israeli relations, "the differences between Assad

and (Saddam) Hussein are personal and political. They head different branches of the Ba'ath party. They have a water problem — when Syria turns up the dam, Iraq dries up. And, Syria controls Iraq's pipeline to the Mediterranean."

Assad, Rabinovich believes, knew about the attempt on the El Al airliner in London. "He may not have known the specifics — someone could have come and said they were going to take out an Israeli target in London. But a large-scale attack on an Israeli target would have to have been cleared by him."

If Assad died today (always a possibility given his ill-health and the number of his enemies), one of two courses of events appears likely: a) a group of Alawite generals would take over and choose from among themselves a chief. They might even choose a Sunni (whom they control) until they reorganize. Or b) there will be a reversion to anarchy as non-Alawites look for revenge after 17 years of Alawite control.

(Cont. pg. 7)



The Lavi, the fighter plane Israel is proposing to build, was the subject of much discussion throughout the trip.



The problem Israel faces emanating from Lebanon has changed over the past five years, but is still the result of a lack of central authority in Beirut.

Lebanon

Five years after Operation Peace for Galilee, Lebanon still represents a threat to Israel, although the nature of the threat has changed. The PLO then had been undergoing a transformation from a guerrilla army to a conventional military force, armed with tanks and artillery. Today, the threat from the north is terrorism. In Lubrani, the Israeli government coordinator for Lebanon affairs, stated the common view: "The basic problem is that there is no partner. There is no reasonable certainty that any politician there is willing or able to stand by his word."

If there is a problem with Egypt, we have an address to which we can complain. We can communicate with Syria and with Jordan. But in Lebanon, there is no one to yell at.

"Therefore, in order to have security we created the 'security zone' with the following formulation: if Israelis are able to have a normal life in the north, our Lebanese neighbors will have a normal life. If we don't, they won't."

"Normalcy" is a relative term. It is understood in Israel that no one can guarantee that there will be no terrorist attacks over the border — one terrorist with a mobile artillery piece can shoot and be gone in a very short time. However, the standard for manageability of the problem is that the residents of the Galilee must be able to live from day to day without fear of Katyusha rockets. It was the continuous rocket attacks in 1982 that provided a prime reason for the invasion of Lebanon.

The security zone is maintained by the South Lebanon Army (SLA), commanded by General Antoine Lahd. Gen. Lahd, with whom our group later met, is a former officer of the Lebanese national army. He came to the south on the order of President Gemeyel in 1983, but later resigned from the national army to run the SLA. Lubrani said of him, "Lahd is in charge of normal life in the South regardless of what happens in the north."

The SLA has 2500 men, who must come from the area, reside there and have a family or other stake in the 5-6 mile zone. The soldiers are trained by Israel and each unit has an Israeli liaison. And the arrangement is that

"We have created the security zone (in S. Lebanon) with the formulation: if Israelis are able to have a normal life in the north, our Lebanese neighbors will have a normal life. If we don't, they won't."

whatever the SLA cannot handle, Israel will do. Israel receives real-time intelligence from the area and the IDF can respond to an emergency in approximately 7 minutes.

General Lahd's SLA is different from the late Major Haddad's Lebanese Christian Militia with which Israel worked until 1983. Whereas Major Haddad was working to protect the Christians of the region, Gen. Lahd (although a Christian) knows he has to deal with the majority population. In fact, the SLA has Maronite, Shiite and Druze soldiers and is the only multi-ethnic army in Lebanon.

Lahd himself told our group that he expects no help from the President of Lebanon, Amin Gemeyel. "If the President has suggestions or recommendations," he said through his interpreter, "he can make them through intermediaries. But we will take only those that advance our basic principles and won't do anything to increase Syrian hegemony."

Israel acts as the "cement" between the groups and as a buffer. The common view was that without the zone what happens 10 miles north of the security zone will be happening in the zone and Hizbollah and the PLO would be on Israel's border. The PLO, according to Lubrani, pays Shiite militiamen to do its business, since the PLO itself is not popular.

The local Shiite residents are torn between two issues: a) a desire for a stable daily life and b) gaining a strengthened position in the Lebanese infighting. The Shiites have always been an oppressed minority in Lebanon. Hizbollah is stoking the fires for Shiite supremacy, but local leaders appear to realize the situation cannot change quickly.

Operation Peace for Galilee
Asked if the lack of a central au-

thority in Lebanon can be traced to Israel's invasion in 1982, Lubrani pointed out that Bashir Gemeyel was elected after the invasion and Israel had supported his presidency. If Gemeyel had not been assassinated, it was possible that a general calm could have prevailed during his administration. However, Syria at that time had not been interested in tranquility in Lebanon, except under its hegemony which was not furthered by Gemeyel's election. Today, he added, it is not clear that Syria can control Lebanon, as there appears to be no will among Lebanese to "bury the hatchet."

General Lahd took issue with that premise, saying later that if there was a way to reduce pressure from Syria in Lebanon, the Lebanese could work things out for themselves — one way or another.

Iran

Israeli and American arms sales to Iran were often a subject of discussion on the trip. The Israelis consider Iran vital to the West and consider U.S. efforts to minimize Soviet influence

longer and that other countries will become involved. As that happens, Israel's best case comes to resemble the U.S. best case: to have the war end with neither side able to win a major victory.

According to Lubrani, "The Shah will go down in history as a weak man — not up to a crisis — but a great innovator. He knew a weak Iran would be prey to many forces and that Iran couldn't face the USSR alone, so he let the U.S. in. Saddam Hussein will go down in history as one who gave Khomeini a new lease on the revolution."

"After Khomeini, there may be a mullah or a soldier. Khomeini himself is a Shah — although more capable than the previous one. There will have to be a strongman."

But Lubrani was not convinced that the revolution would live on after Khomeini. "People who have eaten from the tree of knowledge can't go back to the Middle Ages indefinitely. When there is a crack of light, they will surge forward. The only thing we cannot judge is the pace." He pointed out that he had predicted the Khomeini revolution to take 3-4 years, while it actually took only 3-4 months.

Byzantine Logic

Iran has complicated attitudes toward the West. Lubrani used the example of chemical weapons. "Iran complained that there was no Western interest in the fact that mustard gas and chemical weapons were used on them by Iraq. They wanted this seen over and above Iranian behavior."

"Don't look upon it rationally. The Iranians know they do not get support on such an issue from the U.S. because of the hostages (and other such things), but ANYHOW they think we (in the West) have abandoned them."

"Look upon it as Byzantine."



Yad Vashem.

NEWSBRIEFS, (Cont. from pg. 5)

the relay. Captain Eliezer Cohen told *The Jerusalem Post* that, "At first the Saudi planes may not have realized who had made the offer, but they certainly knew after the information was passed on, as their parting words were, 'Thank you, El Al!'"

SYRIAN AF CHIEF OUT: Arab diplomatic sources say Syria has dismissed the chief of Syrian Air Force Intelligence and his assistant after their

names were mentioned as being involved in the case of Nizar Hindawi. Hindawi was convicted of attempting to blow up an El Al jet in London.

ISRAELI TO THE SOUTH PACIFIC: Israel will be sending communications, fishery and agricultural experts to the Marshall Islands and will help in setting up a desalinization plant. These programs were decided upon after a meeting between the Israeli Foreign Minister and Shimon Peres, in which the serious economic predicament of the islands was discussed.

REP. GEORGE GEKAS, commenting on the floor of the House of Representatives about the problems of the U.S. faces in the Persian Gulf, "We are confused. If you are not confused, I am, and I am willing to admit it. That may be the difference between me and most of you."

ADMIRAL WILLIAM J. CROWE, JR., Chairman of the Joint Chiefs of Staff, asked about the inclination of Congress to micro-manage foreign policy, replied that Congress is also trying to micro-manage defense policy, and while he found this disturbing, he is a patient man — and believes the republic will survive.

ALI AKHBAR HASHEMI RAFSANJANI, Speaker of the Iranian Parliament, "So many vessels have already been hit in the Persian Gulf. How many ships have been struck? Some of them were sunk, with 30 or more people drowned, and no one heard who they were. Then an American ship was hit. Look at the fuss they made around the world. They think they have blue blood in their veins. This is the mark of arrogance."

"A few years ago, three or four honorable Iranians and Lebanese were taken hostage. No one knows what happened to them. Then a few trashy Americans and Britons, who had gone there to spy, we caught. Look how much they are talking about international terrorism."

SEN. DANIEL MOYNIHAN, "The Soviets have, with astonishing dexterity and deftness, moved in on Kuwait, now head of the Islamic Conference, and offered to protect Kuwait against its non-Arab neighbor, the massive state of Iran. The Kuwaitis have responded to the Soviets as never before in their history."

"I would like to add the Afghanistan dimension, the Pakistan dimension, the Islamic Conference dimension. And... if you would like to see the Persian Gulf become a Soviet lake, here is the place for the U.S. Congress to commence that process."

VERNON A. WALTERS, U.S. Ambassador to the United Nations, speaking about Nicaragua: "We supported the overthrow of Somoza. We passed a resolution in the UN because (the Sandinistas) promised a mixed economy, a pluralistic political society, freedom of speech, freedom of the press, freedom of religion. None of those is in effect — they've all been suspended by the Sandinistas. The first three years the Sandinistas were in power, we gave them \$258 million — twice as much money as we gave Somoza in the 18 years of his rule. But they told us plainly who they were, and it is simply not part of Marxist-Leninist philosophy to consider the sharing of power with any other political grouping, nor to consider alternation in power."

"After all we did for them, they brought 255 Soviet armored fighting

vehicles before one contra showed up in Nicaragua. They told their neighbors that their revolution has no frontiers. I don't know how you can be any clearer than that."

JOSE AZCONA HOTO, President of Honduras, speaking in Israel about Nicaragua, "Nicaragua has received \$2 billion worth of arms from the Soviet Union. To be a threat to Nicaragua, we would have to spend the whole state budget."

Asked if Nicaragua threatens Honduras because the Contras operate from bases in Honduras, Azcona said, "Do you harbor guerrillas fighting Syria's President Assad? No. And yet Assad's government represents a threat to you. Here's your answer."

CURTIN WINNOR, JR., former U.S. Ambassador to Costa Rica, commenting on the Costa Rican President's plan to bring peace to Central America: "One repellent aspect of this plan to me is its treatment of all foreign presences in Central America as if they were equally culpable. This reflects an intellectual vice that has become fashionable these days — particularly among disarmament groups in the U.S. and Europe — to emphasize the 'moral equivalence' between the U.S. and the USSR. To play down the Soviet threat in Nicaragua, and to lump Cuban, Bulgarian, North Korean, Vietnamese, PLO, IRA, ETA and Libyan terrorist proxies together with the few U.S. advisers in El Salvador and Honduras, in the name of a 'Peace Plan' is unworthy of Costa Rica's unique tradition of open friendship with the U.S."

VLADIMIR YEGOROV, Commander of the Soviet Mediterranean Fleet, during a press conference in Tripoli, Libya: "The traces of the failed U.S.-NATO barbarous aggression on the home of the leader of the revolution, which we (visited) yesterday, demonstrated the ugliness of this barbarous aggression of the U.S. Administration against Great Jamahiriya and its leader. World press did not show the horror of this aggression which we have seen as it stands, and our sailors were deeply shocked and undoubtedly they will tell their folks back in the USSR of their feelings and portray the true picture and the ugliness of this."

"The whole world has shown solidarity with the Libyan Arab people. Peace-loving forces stand by its side headed by the Soviet Union." (Ed. Note: We checked with the Soviet Embassy for the accuracy of this quote. They declined comment.)

WHAT THEY ARE SAYING

DR. FRED C. IKLE, Under Secretary of Defense commenting on Soviet violations of arms control agreements: "If Congress tolerates piecemeal violations of existing arms agreements, how can we expect it to preserve the integrity of future agreements? One can't drag this question off by arguing that past Soviet violations were not militarily significant. In a sense, they resemble the deliberate destruction of evidence during a murder trial. The destruction of evidence doesn't kill anyone. But it certainly improves the chances that the murderer will go free."

REP. HENRY HYDE (R-ILL) during the Iran/Contra panel's questioning of Lt. Col. Oliver North: "We in Congress,

have a way to deal with laws we don't like... (we) just exempt (ourselves). You see, we exempt ourselves from OSHA, the Occupational Safety and Health Act; we exempt ourselves from the Ethics in Government Act, no special prosecutors are going after us, we have our own committee of our own brethren that will take care of that; we are exempt from the Equal Employment Opportunity Act, none of that because we're political people; the Budget Act, waive it, pass it, kid the people and waive it, every time something comes up that's in excess of the budget, pay no attention to it; Public Law 95-435 which was passed some years ago says that we can't spend any more money than we take in, that is us ignored as the 10th Amendment to the Constitution."

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INDEPENDENCE

10 YEARS AFTER ENTEBBE

The day Americans celebrate Independence is an appropriate day to consider the depth of U.S. commitment to countering international terrorism. For terrorists work to erode our independence - our independence to make alliances and choose friends; to travel freely; to write, think and speak freely. Terrorists kill innocents in hopes of sowing confusion about America's role in the world and about the "rightness" of the democracy enjoyed by citizens of the West. If we are frightened enough, they believe, if we can be terrorized, we will cease to be the people Americans are today.

Our goal, of course, is to ensure their failure - political and military. How have we fared? The Fourth of July 1986 is a good time to ask, since it is the 10th anniversary of the Israeli rescue mission to Entebbe. It was really the Entebbe raid that raised the American consciousness about the West's ability to fight back. It was gripping and heroic - and successful. There has been, since then, a steady increase in political willingness to confront terrorism. This has, unfortunately, not been matched by resources devoted to the job.

There is always a time lapse between motivation and technical proficiency. Desert One, in 1980, was a case of great desire to succeed in a counter-terrorism operation, coupled with serious failures in control and capability. By 1985, when the U.S. went after the hijackers of the Achille Lauro, we were in much better condition.

Secretary of the Navy John Lehman told a JINSA audience shortly thereafter that the success was in large measure attributable to increased training over time; more ammunition and spare parts - which allowed our ships in the Mediterranean to carry out a mission quickly; and to increased public support for the role of the Navy (and all U.S. military forces) in defending our national interest.

This last is the advantage Israel has always had in an often lonely fight against international terrorism. The U.S. has arrived at that point only lately, but we have arrived - and the proof was in the favorable public response to our raid on Libya.

There were, even in our successful operations after the Achille Lauro and the Libya raid, serious functional problems. We still have a long way to go in providing the proper resources to fight terrorism. But this 4th July we salute the strides in political will and military proficiency that have been taken by the West since Entebbe.

JINSA STRIKES OUT

We are, apparently, not as influential as we would like to be - or like to think we are. — In the last issue of "Security Affairs", we urged the firing of NBC News President Lawrence K. Grossman for authorizing and defending the televised interview with terrorist Muhammad Abu Abbas at an unrevealed location. He has not yet been hired.

And —

On the eve of the trial (in absentia) of Abu Abbas in Italy for the hijacking of the Achille Lauro, Grossman was among the VIP attendees at a State Dinner at the White House.

Frankly, it had not occurred to us last month to write: "If Mr. Grossman is not fired by NBC, at least he should not be invited to attend a State Dinner in honor of a visiting president."

FOREIGN MINISTER YITZHAK SHAMIR ON LIBYA AND NICARAGUA

"We are mainly fighting against Arab terrorism. But we know that those organizations and others cannot cause much damage without being supported by states who help them with money, weapons, training areas, etc. That's why we believe the war against international terrorism — war in which the United States plays a leading role — is absolutely vital.

The U.S. attacks on Libya are of the utmost importance in that framework, and they have already deterred other states from walking along this path of supporting terrorism. International terrorism is an international monster that exceeds all bounds. We see this terrorism in Libya and we see it in other places such as Central America. We see it from Libya to Nicaragua.

We know that the PLO had assisted the Sandinistas and had cooperated with them in Nicaragua. The Sandinistas in turn have established a PLO base in Nicaragua. We welcome the American activities aimed at struggling with the danger of terrorism in that part of the world as much as we welcome the U.S. activities in Libya. There is a direct connection between Libya and Nicaragua, and this is a terror connection that spreads over continents and oceans. We believe that whoever is trying to deal with this threat has results and will have results."



The Lavie.

THE LAVIE: Comments & Controversy

by Josef Rom

Ed. Note: Mr. Rom is Professor of Aeronautical Engineering at the Technion (Israel's Institute of Technology). He served as Chairman of the Subcommittee for Defense Industries and Arms Procurement of the Defense and Foreign Affairs Committee of the Knesset (Israel's Parliament) from 1977 to 1984.

The Lavie prototype is preparing for its maiden flight this summer, but the controversy surrounding production of the supersonic fighter is increasing. The main issue is the economic justification for the development and production by Israel (in cooperation with U.S. industry) with Israel Aircraft Industries as the prime contractor.

There are those who objected to the project from its inception, viewing the prospect of an Israeli-developed, high-performance attack plane as an unjustifiable gamble. Those people had, in the main, three areas of concern:

1. Whether the Lavie would prove capable of meeting the special Israel Air Force (IAF) requirements for operational capabilities in the 1990s;
2. Whether the Israeli industrial complex was capable of developing and producing such an advanced weapon system; and the most trying issue
3. Whether the cost of developing and producing the Lavie would be competitive with the purchase of alternative U.S. aircraft.

Developing the Lavie

The Lavie is being developed in accordance with the specifications of the IAF, based on the accumulated experience of the Middle East battle fronts. Close contact between the designers and the operational personnel optimized the plane as a high-performance attack system to replace Israel's aging A-4s, F-4s and Kfir in the 1990s. The system design and its

expected performance as well as the economic considerations of development, production and life cycle costs - were closely reviewed by the IAF, the Ministry of Defense and the Knesset Defense and Foreign Affairs Subcommittee.

The conclusion of these reviews clearly indicated the advantages of the Israeli-developed Lavie over the alternatives. Battle-experience advantages must be built into Israeli weapon systems in order to ensure the qualitative edge over Arab military systems supplied by the Soviet Union, Western Europeans and also by the U.S. No less important was consideration of the benefit to the Israeli economy derived from developing the high technology base involved in the Lavie project.

American Objections

The prospect of Israeli industries having the capability to produce major systems which might compete with U.S. industries, resulted in strong objections to the Lavie by certain U.S. industries. Others, of course, supported the Lavie, being involved in the development of the project. Some Pentagon policy-makers raised even stronger objections, and Pentagon established a team to study the feasibility of the Lavie project.

The latest detailed studies by the Pentagon team did agree that the project meets the special operational requirements of the IAF. The Pentagon team is also convinced that the Israeli industrial base is capable of undertaking the development and production of the Lavie, in cooperation with U.S. contractors as presently planned. Thus, two of the three major concerns about the feasibility of the Israeli Lavie have been eliminated.

However, the third, and most critical issue, remains: can the Israeli defense

(Cont. pg. 5)

EDITORIALS

U.S. SINGLESPEAK

SALT II is unratified, unratifiable, violated and expired. It was notable chiefly as an example of the different perspectives the U.S. and the Soviet Union have toward international agreements. The U.S. has lived by SALT II as defined by Congress - in other words, unable to take full legitimate advantage of the provisions because Congress wouldn't fund even the items to which we were entitled. The Soviet Union has taken not only full advantage of the treaty provisions, but stretched the provisions (i.e., cheated) as far as they thought they could. In short, we lived by it, they didn't.

This fits the pattern of Western perceptions about the reliability of the two nations. A consistent 80% of Americans, when polled, say they believe the Soviets cheat on international agreements. A similar, though smaller, number of Europeans say they believe the same thing.

Then why are so many people displeased, or at least not relieved, by President Reagan's announcement that unless the Soviets change their pattern of SALT II violations, the U.S. will not consider itself bound by the unratified, expired, provisions after December? Critics of the President do not insist that the Soviets don't violate the provisions - they know better. They do not insist the Soviets will stop their violations - they know better. They rarely even insist the treaty would have been a good one if it hadn't been violated. They appear to object mainly on the grounds that the President of the United States made public that which they wish they hadn't had to deal with. Our allies - and some of our own citizens - appear angry with the President for saying that if the Soviets cheat, we don't feel compelled to pretend they don't. But, shooting the messenger for exposing the Emperor (to mix metaphor and fable) doesn't help.

Our allies should recognize by now that the Reagan Administration has made a career of exposing Emperors. The United States, over the past few years, has developed enough confidence in its own policies to reject acquiescence or compromise that is not in its interest. The record, in chronological order, includes:

- 1) Rejecting the "Law of the Sea Treaty", which would have allowed, among other things, the PLO to claim some profits from the mining of sea bed minerals;
- 2) Refusing to halt Pershing missile deployment in Europe, which would have broken our agreement with our NATO allies at the insistence of the Soviet Union;
- 3) Withdrawing from UNESCO;
- 4) Rejecting any resolution emanating from the U.N. Women's Conference in Nairobi that contained the infamous formulation "Zionism is Racism";
- 5) Rejecting the "compromise" at the Helsinki Accord talks in Bern that contained language restricting travel abroad under certain "personal or political circumstances" (code for allowing the Soviets to restrict all foreign travel and Soviet Jewish emigration); and
- 6) Refusing to allow the U.N. emergency conference on Africa to degenerate into another Third World monologue about wealth transfers.

The results:

- 1) There is no Law of the Sea Treaty;
- 2) The Pershing missile installation began on schedule, no European country rejected them, and the Soviets returned to Geneva. This last was accomplished in part because of U.S. insistence on SDI research as a priority item, despite early European insistence that we were being naive;
- 3) The British followed us out of UNESCO, and the organization is undergoing a budgetary transformation;
- 4) The offending language was deleted for the first time in any U.N. conference since 1975;
- 5) The results remain to be seen. But the action is fully consistent with statements by Nathan Scheransky and Yelena Bonner about pushing the Soviets on human rights issues and not swallowing meaningless platitudes;
- 6) There was a serious exchange about free-market economies and foreign aid between representatives of Africa and the West. The Soviets, with neither money nor ideas, were relegated to the sidelines for perhaps the first time at a U.N. conference dealing with the Third World.

Other actions, such as capturing the Achille Lauro hijackers, bombing Libya and liberating Grenada, fit into a separate but similar category of U.S. refusal to "go along to get along." Our assertiveness was much appreciated by the Grenadians. Expanding Voice of America transmissions and instituting Radio Marti indicate further confidence in our system.

And now SALT II again gives the track record of useful results when the U.S. decides what is in its interest and what is not, and then what happens when we stand behind our convictions, perhaps the West should concentrate on the message. If the Soviets cheat, to the detriment of Western security, the allies should look for ways to stop the cheating.

One sign that a lot of the unhappiness with the President's message is, to some extent, politicians on autopilot: is the recent European decision to buy Norwegian natural gas rather than the Soviet product - for security reasons. This is, in effect, a European admission that the Administration was right those five years ago about the Yamal pipeline. Perhaps the Europeans are becoming more confident about standing up for Western interests as well.

MYOPIA

Entry of a guilty plea by Jonathan Pollard to charges he spied against the United States for Israel returned the story to the front pages. We felt this compelled to return to our file and review our previous comments. ("Security Affairs," Dec/Jan 1985-86) Our conclusions were twofold: that Israel was entirely wrong in running a spy in the U.S. defense establishment and should do all it could to set things right; and that the U.S. should not conclude that the cooperative strategic relations we have been building with Israel were no longer a good idea. Five months later, we are alternately relieved and discouraged.

Relieved to see that, in the main, the United States government has not tried to penalize Israel in ways that would, ultimately, penalize America. The elements of strategic cooperation continue. Exchanges by U.S. and Israeli military officers and civilian defense officials; purchases of Israeli equipment by the U.S. military services; port calls by the U.S. Navy in Haifa, and intelligence cooperation, among other things, have not been halted. It has become clearer than ever that Israel is important to the U.S. in a variety of ways directly related to our security. There is, however, not without reason, growing concern in the U.S. defense establishment about the heights in Israel to which this affair rises.

That is the discouraging part. Israel owed the U.S. no less than full examination in Israel, full disclosure, and full cooperation with American proceedings. It was clear that such actions would create political turmoil in Israel. But that seemed to be the least price a government would have to pay for activities so detrimental to U.S.-Israeli relations. Unfortunately, the Israeli government has appeared more concerned with whether or not the U.S. broke an agreement to keep the investigation quiet than it does with the extent of its own complicity.

Israel's obfuscation on the subject has led to a spate of nasty articles in the U.S. press and the reiteration of every charge that has ever been leveled against Israeli intelligence. If it were not for the determination of the State Department under Secretary of State Shultz to keep the incident from disrupting U.S.-Israeli relations, the recriminations would be flying even more thickly. As it is, American critics of Israel are having their greatest public success in a very long time.

For these reasons, it is essential that Israel change course and open the curtain. Failure to do so thus far has been myopic. Meanwhile, we trust the U.S. security establishment will remain patient while the Israelis straighten their house.

KING HUSSEIN'S DOUBLESPEAK

In a recent interview in an American newspaper, in English, King Hussein of Jordan said: "When you take a weapon like the Stinger that is being supplied to many movements in this world which could be described as freedom fighters by some, as terrorists by others, and when you come to governments that have been reliable, that have been your friends and allies for many years, and suggest that you do not wish these weapons to be in their hands... this is very hard to swallow."

Although his English is fluent and syntactically correct, King Hussein used no less than five English words that seem to mean one thing to me and something else entirely to a friend.

1) "Freedom fighters" and 2) "Terrorists." He means the Afghans. Who in the world thinks of the mujaheddin as "terrorists"? The Soviets. If the King considers the Soviet opinion of the Afghan freedom fighters to be legitimate, even as the Soviets carpet-bomb Afghanistan, then we and the King are on separate wavelengths.

As an aside, one of our chief concerns with the Saudis having Stingers is Saudi support for terrorists who attack Americans - i.e., the PLO and all of the spokes under its umbrella. The mujaheddin are fighting the PLO's other chief sponsor, the Soviets. It is unlikely that the Afghans would allow their weapons to be sidetracked to the PLO or similar groups. The same would hold true for the Contras or the UNITA guerrillas, who are also fighting Soviet-sponsored repression. We know for a fact that the Saudis are loose-fingered.

3) "Reliable." If the King really does think the Saudis have been reliable over the years, we need a new definition of the word. As only one example, the Saudis claimed to have brokered a deal in Lebanon to have Syria withdrawn when the Israelis withdrew. We trusted them (naively, perhaps, but we did) and there was never such a deal. As another, after the bitter AWACS fight, our Secretary of Defense went to Saudi Arabia on an official mission. He was treated in a most rude and arrogant manner (see "Security Affairs" Feb/Mar 1982). At that time, even the barest elements of military cooperation between the U.S. and Saudi Arabia were degraded by the Saudi prince.

4) "Friends" and 5) "Allies." We can try to give the King the benefit of the doubt, but what kind of friend would cut Egypt off over the Camp David Accords? What kind of ally refuses to allow the U.S. basing rights to secure its own territory? What kind of friend calls the U.S. "an arms merchant to whom we pay cash" while the U.N. of which it supports financially those groups seeking to damage U.S. interests, while causing its own sort of damage to U.S. interests by voting against us 86.4% of the time at the U.N. (Jordan's own record is only slightly more "friendly" - 85.8% of Jordan's votes are in opposition to U.S. votes.)

The problem is not what Hussein says. It is either what he believes or what we believe we heard. The same thing happens when we talk about "peace" in the Middle East, "democracy," "legitimacy" or any one of a hundred other concepts so easily misconstrued. From the American perspective, it should be simple - we and Jordan and Saudi Arabia and Morocco and Oman and a few others really do have interests in common. We, and they, want stability in their countries. We, and they, do not want radical, Iranian-style governments to overthrow their conservative monarchies. We, and they, do not want U.S. soldiers to try to guarantee the flow of oil from the Gulf. We, and they, hope to limit Soviet intrusion into the region.

But, from our perspective, the problem is that they don't consider the Soviet Union the primary threat to their stability, and they won't "give" us Israel. From theirs, the problem is that we don't see Israel as the primary threat to Arab security, and that we won't "give" us Israel. For a long time, we and they have engaged in a tacit agreement to paper it over.

We look for reassurance in "intuitions" and "hunches." They want reassurance in arms sales. The differences are real. It isn't that they don't understand us, we're not speaking the same language - even though it's English.



THE MEDITERRANEAN LITTORAL DEFINING THE REGION & THE THREAT

Lt. Gen. Devol Brett (USAF, Ret.)

Ed. Note: General Brett is a member of the JINSA Board of Advisors, and accompanied the first JINSA trip to Beirut in 1982. He has served as Commander of Allied Air Forces, Southern Europe, AFSouth and as Commander of the U.S. Air Force's in Europe's 16th Air Force. The following is excerpted from his presentation before the JINSA Annual Meeting.

I would like to talk from the map. I use maps because I am an airman, and most of the time we don't get to look at maps when we're in a cockpit (particularly like the F-111 flyers coming out of the U.K. — on their way to Libya). That's one reason.

The other reason is that I arrived in Naples via Iran (two years), Turkey (two years), and the Pentagon as Director of the Near East/South Asia Region (three years). So, for ten straight years, I worked with the Middle East and Southwest Asia. But I found that talking to fellow Americans and trying to explain something about that part of the world, they just couldn't relate to it.

If you look at a map, you will get a better perspective of the problems and some of the advantages to the Western position there.

The Importance of the Region

The southern region of Europe is often referred to by people who don't live there as the "southern flank" of Europe, to which I take great exception as do the people who do live there — it's not flanking anything. Most Army people and some Marines would agree that you can afford to lose a flank and still hold the center. The center, for them, is the part you're trying to guard. But I don't think anybody who lives there feels that the center of Europe is more important than the southern region. The people in the north feel the same way about their area.

The Soviets also feel that way, and they don't have flanking forces. They have

divided their air forces, as well as ground forces, into theaters of operations as we did in World War II. This was the Mediterranean theater of operations; it wasn't the southern flank of anything or the northern flank of anything else. It is an important point and the region should be approached in that manner, both by political and by military people.

The Scope

The second thing to understand is that it's huge. This part of the world is six times bigger than Central Europe between the Baltic and the Alps. The distance from Spain to Eastern Turkey, which is the area of NATO's interest, is over 4,000 kilometers. Turkey alone would fill the eastern half of the United States.

The way we approached this part of the world when I was in Air Force South was as five distinct theaters of operations. From an airman's perspective it is important to know that:

- 1) The Mediterranean Sea itself is considered a theater of operation, an area that is isolated to a degree from the other areas;
- 2) Northern Italy is the second. Northern Italy faces twelve Soviet divisions (give or take ten, depending on who is talking and when);
- 3) The third theater is Northern Greece;
- 4) The fourth is Turkish Thrace; and
- 5) The fifth is Eastern Turkey.

That is the present NATO Airway to it, and it is a good departure point for looking at this part of the world. For years, however, even NATO people just looked to the east, to the northeast and to the southeast, bordering on the Warsaw Pact. In 1978, for the first time in my experience, a Commander-in-Chief of the U.S. Forces/Europe (who was also the Supreme Allied Commander of NATO SAC/EUR) General Alexander Haig, said publicly that we had to take a hard look at the southern

coast of the Mediterranean. He was specifically concerned about Libya.

Looking at the Threats

For the first time, then, we were allowed to include these countries and list the threat

"If you draw the arc that measures the range of (Soviet) aircraft... most of their fighter-bombers can cut at least across Italy... we have bases in Turkey, Italy and Greece."

from them — not in our live exercises, but in what we call our CPX. But, it took us a long time to get to that point. And it took a long time for the people in the center to recognize the fact that this is a very, very important area to our survival and to our strategic and tactical interests.

There is a tremendous number of Soviet aircraft in that part of the world, and their bombers can fly all the way to Gibraltar. If you start drawing the arc that measures the range of the aircraft, it is quite significant. Most of their fighter-bombers can cut at least across Italy. This is particularly significant because we have bases in Turkey, Italy and in Greece, behind the line of the arc. We have aircraft there that we plan to use either in an offensive manner, or in an air defense role protecting our ground forces and aiding the 6th Fleet and allied navies.

In the past, Soviet aircraft were "short-legged" and their weapons were rather unsophisticated. Now most of them can cut out across Europe and we don't know

which direction they're going to go. If they take off from bases in Eastern Europe, and even some in the western U.S.S.R., they can go to any of the points of the compass, threaten our forces and threaten our response capability.

Finally, the actual figures don't make much difference, but we are severely outnumbered in the air forces — those that would be involved in a European scenario or any other. We are not only outnumbered, but we are facing very, very sophisticated aircraft. In recent years the Soviets have made tremendous advances in fighter aircraft, as well as building some pretty good bombers and associated support aircraft — communications and control and intelligence gathering aircraft.

In the meantime, the Italians, the Greeks and the Turks have not increased their inventory in any sizeable amount, and they only have brought on one or two sophisticated planes that can match the Soviets.

Libya, Syria & Iraq

The Soviets have also put a lot of their good aircraft in countries including Syria, Iraq and Libya. These are countries not very friendly to the United States, and which present a threat to us. We watched in Libya, for example, a good many years of aircraft build-up. A lot of them are still in crates, and people said, "Well, gosh, the Libyans can't fly." But there is nothing to preclude the Soviets from coming into Libya, bringing the necessary pilots, ground crews and support equipment, and flying them themselves. That has always disturbed us.

And we have never been really sure which way the Syrians would go — and neither have the Turks been sure. What role will the Syrians play? What role will Iraq play? No matter what the scenario, all of us should be concerned about which way these people will go, and when they will go — if they go.

THE PLO AND WEST EUROPEAN TERRORISM

by David E. Thaler

Ed. Note: Mr. Thaler is a graduate student at Columbia University's School of International Affairs. The following is derived from a longer article on PLO operations.

In recent months, West European leaders have expressed an increased willingness to forego their traditional belief in Yasser Arafat as peacemaker.

During a May visit to Israel, Italian Foreign Minister Giulio Andreotti declared the Venice Declaration, which calls for PLO participation in any Middle East peace settlement, no longer viable. Soon after, British Prime Minister Margaret Thatcher proclaimed that unless the PLO renounced terrorism completely, it would be time "to get some people who truly represent the Palestinian people."

There is good reason for their change of heart. Aside from its own terrorist activities, the PLO has played an active role as a clearinghouse for some forty West European terrorist groups. Italy's Red Brigades (BR), West Germany's Red Army Faction (RAF, better known as the Baader-Meinhof gang), and the Irish Republican Army (IRA), among others, have benefited from a well-entrenched PLO network of training camps, intelligence and logistics support, and weapons supply.

"Shatila was referred to as 'The European base' where terrorists were offered 45-day courses in demolition, small arms operation, and hand to hand combat."

There exists a large body of evidence regarding the involvement of the PLO in terrorist activities promulgated against Europe's liberal democracies. The depth of involvement has been corroborated by a wide array of testimonies, confessions, statements by leaders, and captured documents.

Training and Joint Operations

Training is one of the most important factors in establishing a terrorist infrastructure. Without instruction, an aspiring terrorist would have great difficulty assembling a suitcase bomb, executing a kidnapping operation, or evading the police.

Much of the evidence supports the premise that the PLO, through training operations, has been an effective catalyst for the spread of international terrorism. Arafat presides over an organization proven masterful at transforming inexperienced recruits into highly efficient killing machines.

PLO-IRA connections originated in the mid-1960's, when several members of the IRA trained in Jordan in camps of the Popular Front for the Liberation of Palestine (PFLP), a wing of the PLO. Active cooperation began with a bombing campaign in London in 1973, heralded by a PLO announcement indicating "joint military operations on British territory against Zionist organizations."

The RAF also trained in PFLP camps in Jordan. In 1970, Ulrike Meinhof, Horst Mahler, Andreas Baader, and other RAF leaders received military instruction under PLO auspices. This training was continued in Lebanon after the PLO was unceremoniously forced out of Jordan by King Hussein at the beginning of the 1970's.

The first joint PLO-RAF action was an attack on a Jewish home for the aged. It was followed by a string of others. The RAF helped organize the Munich Olympics massacre in 1972. They allegedly provided safe houses and logistical support for Black September, the terrorist arm of Arafat's Fatah wing which executed the attack. Further, two West Germans, Wilfried Bone and Brigitte Kuhlmann, came out the Entebbe hijacking in 1976. The Germans were aided by five PLO terrorists.

Damour, Shatila, and Burj al-Barajneh in Lebanon were the primary PLO training camps for foreign terrorists before Israel's "Peace for Galilee" operation in 1982.

The Israelis found vestiges in Damour of two terrorist groups which should have been diametrically opposed to one another. The names of the Turkish Gray Wolves and the Armenian Secret Army for the Liberation of Armenia (ASALA) were scribbled on the walls of buildings where both had maintained offices.

Mehmet 'Ali Aaga, would-be assassin of the Pope, was a member of the Gray Wolves. ASALA terrorists were arrested in the United States in 1982 for the attempted bombing of an Air Canada office in Los Angeles. Diaries were discovered by Israel

in Lebanon attesting to PLO instruction for "the comrades from Turkey."

Shatila was referred to as "the European base" where terrorists were offered 45-day courses in demolition, small arms operation, and hand-to-hand combat. German, Italian, and Basque terrorists trained at Shatila until 1982.

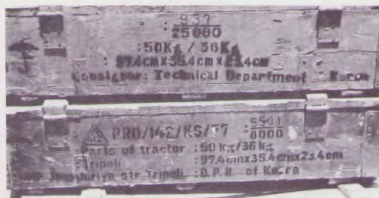
The PLO did not limit itself to training only left-wing terrorist groups. In a 1981 interview with Der Spiegel, Arafat's deputy, Abu Iyad, confirmed that the PLO had provided paramilitary training to the neo-Nazi Defense Sports Group Hoffman. This group bombed a crowded beer hall in Munich during the 1980 Octoberfest. It was also implicated in the Bologna railway station bombing in 1980 that left 84 dead and many more injured. Abu Iyad justified the Hoffman group's training under PLO auspices because they shared tactical, if not strategic, goals.

Arms Supply

Palestinian and West European terrorists have consistently used the same types of weapons, the vast majority having been manufactured in the Soviet bloc. This in itself does not constitute proof of a PLO arms supply network. However, several weapons consignments en route to West Europe and captured by Western security forces have been traced back to the PLO. Moreover, documents and testimonies of repentant/captured terrorists have pointed to the existence of a PLO arms supply pipeline.

In 1972, Western authorities intercepted a shipment of weapons in Antwerp, Belgium. The consignment had been sent by Fatah from Cyprus to the IRA. In a

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PLO training camps in Lebanon contained huge stores of ammunition. These crates labeled "tractor parts for Libya" contained 107 mm rockets for Katyushas. They were manufactured in North Korea.

A VIEW FROM THE PENTAGON: THE U.S.-ISRAEL RELATIONSHIP

by General Volney Warner (USA, Ret.)

Ed. Note: General Warner served as Commander-in-Chief of the U.S. Readiness Command and participated in a JINSA trip to Israel. The following is excerpted from his presentation to the JINSA Annual Meeting.

I had someone call the Pentagon and say, "Find me the Israel Desk Officer on the Joint Staff, and have him put together on one piece of paper what he—HE, not the Pentagon—considers to be the current military relationship between the U.S. and Israel as of this moment." (That was a Friday afternoon you always get a better answer out of the Pentagon on Friday.) This comes from the Pentagon:

"The U.S.-Israel relationship is very strong and is based on a wide variety of common interests and shared values. It is commonly called 'a special relationship.' Israel is the strongest military force in the Eastern Mediterranean and can project significant power up to 500 nautical miles from its shore.

"The Israelis consider themselves in the Western camp and have supported the United States in virtually all international disputes.

"Support for Israel does have some penalty for the United States, primarily in our relationships with the Arab world. It also impacts on some of our relations with our European allies who take a more 'balanced' approach to the Middle East conflict.

"While there has been talk of strategic cooperation, the areas where the U.S. and Israel can cooperate are limited, mainly because the two sides see the threat and the region very differently. In military terms, the Israelis are friends, but not allies because we do not have an alliance, mainly because we do not have a common threat. The threat to the Israelis is from the Arab world. Certainly the Arabs do not threaten the United States, and we do not agree with the Israelis that all of the Arab states threaten Israel.

"Some of our best friends in the region, Jordan and Saudi Arabia, are considered enemies by the Israelis and consider the Israelis enemies. At the same time, the Soviets are considered to be our threat.

"The Israelis do not consider the Soviets a direct threat to Israel, and unless the Soviets were to attack Israel, the Israelis could do all they could to avoid a major confrontation. This is because the Israelis lack a nuclear umbrella.

"The difference between our NATO allies and Israel is obvious. The Europeans

see the Soviets as their main threat. Our European allies also have significant U.S. forces stationed in their countries and nuclear-capable systems something Israel does not have nor does it want.

"The questions is, then, how best should we and the Israelis work together? It is probably best to concentrate on areas which do not require definition of a common threat. This would mean we could train with the IDF (Israel Defense Forces), use their ranges, exchange officers to discuss various technical issues, use Israeli maintenance facilities and so forth. Terrorism is another area where we can cooperate, though we will both want to maintain a certain level of independence.

"The bottom line is that, while it may not be pleasant, the reality of the region is such that we are constrained in our dealings with the Israelis and the Arabs as long as the Middle East conflict remains unresolved. The United States, as a superpower with friends on both sides, must accept this and deal with the region as it is, not as we wish it to be; and we must accept the tensions this causes in our relationships with both the Israelis and the Arabs."

Then a note for me, "Hope this is helpful. Good luck."

The question was then asked whether, in view of the stated and demonstrated threat to "Western interests" (which include both the U.S. and Israel) posed by Iran's Khomeini, Libya's Khaddafi, and other radical Arabs, the Pentagon might reassess the position that the U.S. and Israel do not face a common threat? Noting that the Pentagon statement recognized counter-terrorism as an area in which U.S.-Israel cooperation could be beneficial, General Warner stressed that a formal alliance might not be the best approach.

"Certainly the radical Arabs are a threat. (But) the extent to which the United States would be willing to align itself in some sort of contingency plan with the Israelis to jointly apply force to resolve the threat would be difficult to decide. The decision would be undertaken very, very gingerly because if the U.S. and Israel jointly apply force in the region, you alienate the balance of the Arab world that is not as (the questioner) described (it)."

"So, I don't see it as the U.S. as willing to buy into the problems that are implicit in a joint military alliance and contingency plan to do something about Khomeini and Khaddafi would be advised to the world as a joint U.S.-Israeli effort."

Lavie (from pg. 1)

budget, with future U.S. financial support almost assuredly limited, maintain the Lavie and all the other weapon systems needed for the IDF - the Army and the Navy as well as other Air Force requirements?

The Cost Estimates

Is there a less expensive alternative to the Lavie? First, the cost of the aircraft must be established on easy matter under present circumstances. The cost of development is estimated by Israel to be \$2.2 billion, while the Pentagon estimates \$2.6 billion. The original Pentagon estimate for Lavie development was \$4.0 billion, so the present difference of 15% is reassuring, and arises mainly from estimates of reserves for contingencies. The larger discrepancy is in estimating the cost of production. The Israeli estimate is \$15 million for each plane, while the Pentagon estimates \$22 million. These estimates are being reexam-

"The purchase of the first 75 U.S.-built F-16s cost Israel \$1.4 billion. The second 75 cost \$1.8 billion (\$1.7 million and \$24 million per airplane respectively).

ined, since Israel claims the Pentagon is using unreasonably high values. As one example, Israel cites the cost of hourly work \$46/hr by the U.S. estimate, \$24/hr by Israel's actual cost. In the opinion of the Israeli team, the 32% higher cost estimate of the Pentagon team would be lowered by a more realistic evaluation. Differences in the U.S. and Israeli cost figures for the engine account for much of the remaining discrepancy in price.

Including or excluding the additional cost does not solve the problem of financing the increased cost of all weapon systems, particularly that of an alternative aircraft system.

The purchase of the first 75 U.S.-built F-16s cost Israel \$1.4 billion. The second 75 cost \$1.8 billion (\$1.7 million and \$24 million per airplane, respectively) - both being more than Israel's estimate on the Lavie, and even more than the Pentagon team's estimate. This is important in addressing Israel's need to replace 300 aging aircraft in the 1990s. The alternative of a mix of U.S.-built planes, including the F-18 and the F-16, is more costly than the Lavie.

Israel's Defense Base

The dilemma of overwhelming defense expenditures - important as that is - cannot and should not be solved by sacrificing the development of defense industries. Israel's defense industries were the base for many, many other high technology developments. Aborting the Lavie project would mean a mortal blow to Israeli high-tech for years to come.

There are those who believe Israel should concentrate on developments in avionics and auxiliary systems which can be assembled into mainframe systems supplied by U.S. industries. Such a reasonable-sounding suggestion does not, however, take into account recent history. When such possibilities were explored for the F-16, we learned the arrangement results in much higher costs and long delays. Without the responsibility as prime contractor for the weapon system, Israeli industries will not be able to develop competitive products and/or avionics packages.

There are a few well-known "rules" in the aviation industry which are useful in evaluating the economic viability of the Lavie. The cost of an airplane is related to its size and weight - a heavier plane is more

expensive. Therefore, it is reasonable to assume that the Lavie, which is 30% lighter than the F-16, should cost less. Furthermore, the production number required to break-even for the development and production of a modern military aircraft is 200-250. The IAF requirement for about 300 Lavie planes is beyond break-even.

Further Potential

In addition to Israeli considerations for the Lavie, the aircraft might be suitable to other air forces. The U.S. Air Force is now considering the A.T.F. as the next-generation air superiority fighter. Its qualities mean a large and heavy aircraft, therefore, a very expensive one. There are also requirements for a much smaller and less costly close-support attack aircraft as a replacement for the A-10 and other attack aircraft in use by the Tactical Air Command of the Air Force and by the Marines.

The Lavie is designed for attack missions, based on the extensive lessons of the

IAF. It is small in size and weight with powerful operations characteristics for successful close-support attack missions with reasonable probability of survival in the environment of future battlefields. Production in large numbers would make it less expensive, to the benefit of all users.

It might be useful to involve a U.S. manufacturer in the development and production of a U.S. version of the Lavie for U.S. and possible NATO utilization. There

Terror (from pg. 3)

separate instance, the British discovered a vessel laden with five tons of material designated as "electric transformers." The shipment of automatic weapons, RPG-7 anti-tank rockets, grenades, and explosives was again sent by Fatah from Cyprus.

One delivery route for the IRA uncovered by British intelligence led from the PLO through Syria and Libya to Canada. From there, the FLQ (Quebec Liberation Front) would transfer arms shipments back through Le Havre and on to the IRA.

A Favor for a Friend

Considerable data points to the existence of a pervasive PLO arms supply relationship with the Red Brigades. One incident best describes this connection. In 1979, an automobile driven by BR members was stopped for speeding by Italian authorities. A search of the vehicle revealed two Soviet-manufactured, shoulder-launched "Strela" (SA-7) surface-to-air missiles. In court, one of the members claimed he was merely doing George Habash, leader of the PFLP, a "favor" by transporting the missiles for the PFLP's later use.

PFLP spokesman Bassam Abu Sharif confirmed this. He claimed the Red Brigades members should be released on "moral" grounds because they were only making a "fraternal gesture." He then demanded the missiles back, arguing that they were the property of George Habash.

Testimony offered in Italian courts by repentant/captured BR terrorists further indicates the PLO's deep involvement in West European terrorism. Patrizio Peci, formerly of the Red Brigades' strategic high command, confessed that arms re-



The cockpit of the Lavie.

is the successful experience of the adaptation of the British "Harrier" by MacDonald-Douglas for the U.S. Marine Corps. Such an arrangement would solve the main financial problems that hamper the Lavie today, but could not be implemented until the IAF order for 300 Lavies is filled.

It is recognized in Israel and in the U.S. that the only way Israel can sustain the economic burden of increasing defense costs (with or without the Lavie) in the 1990s is through major, rapid expansion of its economic base. Israel must double industrial exports in the next 5-7 years, and the Lavie project and its spin-offs are the only viable catalysts for rapid expansion of Israel's GNP in the next few years.

American Victims

Americans in Europe have been directly affected by this PLO-linked terrorist infrastructure. European terrorist organizations enjoying PLO patronage have attacked U.S. personnel, installations, and businesses. The Dozier case has already been mentioned, but this incident was only one of many. It would be useful to note some of the most recent cases:

— Leonard Hunt, U.S. commander of the Multinational Force and Observers in Sinai, assassinated in Rome in February 1984. The BR claimed responsibility.

— Edward Pimental, U.S. serviceman, shot and killed by RAF and robbed of military ID in Wiesbaden, West Germany, in August 1985.

— Car bomb exploded at U.S. Rhein-Main Air Force Base one day after Pimental's murder, killing two U.S. citizens and wounding 18 others. Pimental's ID was used to gain entrance to the base.

— Basque terrorists carry out bombing campaign in Spain in 1985 against U.S. firms. Companies hit included Firestone, Norton, Citibank, Xerox, and Honeywell.

Europeans have endured much greater suffering at the hands of West European terrorists. Therefore, those Europeans who advocate PLO participation in Middle East peace talks should keep one thing in mind: the same Arafat who feigns moderation has also facilitated the proliferation of terrorism in their cities, in their airports, and aboard their ships.

They need only to look at the evidence of the PLO's role as clearinghouse.

ceived in Italy "were coming from a single distribution center stocked by Palestinian formations."

Peci recalled yachting trips involving the transfer of large consignments of automatic weapons, explosives, Strelas, and anti-tank mines from the PLO to the Red Brigades. The arms were then distributed to terrorist groups in Italy, Ireland, Spain, and West Germany. The VZ-61 Skorpion submarine gun used in the BR's abduction and murder of Aldo Moro in 1978 was included in one of these consignments.

Peci's testimony was confirmed in court by Antonio Savasta, leader of the Red Brigades team that kidnapped U.S. Brigadier General James Dozier in 1981. Savasta's confession led the prosecuting judge to conclude that the PLO functioned "as a political and military point of reference for all the European terrorist organizations above all as regards the delivery of arms."

In addition to these testimonies, the minutes of a meeting between Abu Iyad and Red Brigades leaders in Paris were discovered in a safe house in Italy. They relate to Abu Iyad undertaking to provide weapons, later indicating that he would have to check with Arafat on the arrangements. Finally, Abu Iyad states that he had received an affirmative answer from Arafat.

A Venice court issued an arrest warrant for Abu Iyad and Yasser Arafat, later successfully appealed on a technicality. The warrant held that the PLO leaders had "conducted the illegal retention of a part of the arms mentioned above (surface-to-air missiles, Sterling machine guns, rockets, etc.) which were held by the Venetian column of the [Red Brigades] at the disposition - on Italian territory - of the PLO, ... committing this act for the purposes of terrorism."

NEWSBRIEFS

LIBYA'S "FOXTROT" SUBMARINES: The U.S. Navy has apparently taken Libya's force of six Soviet-built "Foxtrot" submarines seriously. During the April airstrikes against Libya, the Navy positioned its sophisticated "Los Angeles" class attack submarines between the "Foxtrots" and U.S. surface combatants sailing off the Libyan coast.

AND MIDGET SUBMARINES: According to U.S. intelligence experts, Libya's Muammar Khaddafi is in the market for mini-subs. Yugoslavia is named as a possible supplier. With a seven-man crew and the capability of firing small torpedoes, these subs may enable Libya to pose a limited terrorist threat to Mediterranean shipping if Khaddafi so desires.

LIBYA TO JOIN WARSAW PACT?: The United Arab Emirates newspaper *Al-Itihad* reports that Libya and the Soviet Union have agreed in principle on the former's membership in the Soviet-led Warsaw Pact military alliance. Quoting informed Arab sources, the paper notes that official documents on Libya's accession were prepared during a recent visit to Moscow of 'Abd al-Salam Jallud, a lieutenant of Libyan leader Muammar Khaddafi.

NEW EGYPTIAN TANK PLANT: Field Marshal Abu Ghazala, Egypt's deputy prime minister and minister of defense and war production, has revealed that his country is currently constructing a plant for the production of tanks. The Egyptians have reportedly chosen to produce the American M-1 "Abrams" and German "Leopard" tanks.

YOM KIPPUR WAR SECRETS: Abu Ghazala has also announced that Egypt plans to reveal its Yom Kippur War secrets in 1988, 15 years after the conflict.

SOVIET WARNING TO ISRAEL ON SDI: The Soviet Union has reportedly warned Israel, through the Finnish foreign ministry, that Israel's participation in Reagan's Strategic Defense Initiative would harm prospects for a Middle East peace settlement.

SANDINISTA MATH: Sofonias Cisneros, head of Nicaragua's equivalent of the PTA, reports that Nicaraguan math students must answer questions like the following: "The clip of a rifle has the capacity for eight cartridges. How many cartridges are needed to fill two clips?" Sandinista educators appear to be taking lessons from the PLO — UNRWA-funded books in Palestinian refugee camps on the West Bank were found to have similar "lessons" after the Six Day War.

CHINESE ARMS TO IRAN: The London-based International Institute of Strategic Studies has estimated that Iran recently purchased arms from China totaling \$1.6 billion, although China has denied this. Arms shipments have included Chinese-made J-6 interceptor jets, T-59 tanks, artillery, and surface-to-air missiles. Through arms sales, China can earn foreign exchange for its economic modernization program and build its influence in recipient countries.

WHAT THEY ARE SAYING

RICHARD PERLE, Assistant Secretary of Defense (commenting on the US decision to cease compliance with the provisions of the unratified SALT II Treaty): There was no way to make this decision palatable to the Europeans... And I think it is fair for us to ask Europeans who don't like the decision what they would do to obtain compliance. The Europeans have a terrific record of ignoring treaty violations. The tendency to show an unjustified deference to the wisdom of this mature European diplomacy twice in this century has produced world wars.

If there is anything that is important, it isn't [a question of] weapons one way or another on one side or the other, it is the way in which the leadership of the Soviet Union regards the leadership of the United States.

ON TERRORISM

CASPAR WEINBERGER, U.S. Secretary of Defense: Embassies are used as terrorist arsenals and planning centers, and so-called "diplomats" actually plan and orchestrate murders and bombings in the nations hosting them. . . . Yet, under the prevailing law of diplomatic immunity, the embassy is a sanctuary. There is no recourse against the so-called "diplomat" except expulsion. . . . I think we should examine, very carefully, the whole idea of diplomatic privilege extending to the support of terrorism.

ANDREAS PAPANDREOU, Prime Minister of Greece, accused the United States of engaging in "terrorism." Mr. Papandreu stated that there were efforts "to destabilize governments through intervention in Libya, Nicaragua and Afghanistan." Mr. Papandreu concluded that there "is not a shred of evidence linking Libya to terrorism."

ON THE PALESTINIANS

PRIME MINISTER MARGARET THATCHER: If PLO do not totally reject terrorism and renounce it, as I was trying to persuade them to do, and do not recognize UN Resolution 242 and Israel's right to exist, then if you want to get negotiations going you have to get some people who truly represent the Palestinians.

CROWN PRINCE HASAN of Jordan: The fact that Mrs. Thatcher is focusing on Palestinian representation is a continuation of her interest in initiating a dialogue with the Palestinians. And if you recall the Palestinian Liberation Organization disqualified itself from such direct talks last year in London when they were expected to enter discussions with the British foreign secretary. Their position at that time, of course, was that they were not yet ready to accept the United Nations Resolution 242. She was being totally disqualifying of the PLO, but effectively saying...that they have disqualified themselves. And therefore we have to focus on the Palestinians per se, which means the people in the occupied territories and the principle constituency of Palestinians there.

YASSER ARAFAT (on Jordan's apparent encouragement of a breakaway faction of Fatah): It is well-known that it is a theatrical show directed by the Jordanian secret service.

CONOR CRUISE O'BRIEN, author of *The Siege* (on the "political sources of terrorism): The clear implication is that negotiation between Israel and Jordan can dry up "a principle source of terrorism." But this is not the only political context at all, and is not blinded by wishful thinking, could possibly believe that. For the Arab terrorists—and most other Arabs—"the unresolved Palestinian question" and the existence of the State of Israel are one and the same thing. The terrorists are not just a symptom of a political disease, by Jordan's King Hussein getting back a slice of the West Bank, which is the very most that could come out of a negotiation between Jordan and Israel. The terrorists and their backers would desire to see the State of Israel go, and seek to step up their attacks, directing them against Jordan as well as Israel.

ON CENTRAL AMERICA

PRESIDENT RONALD REAGAN: The strategy of the Sandinistas should now be clear to everyone.... It's a strategy of delay, dragging out negotiations, never taking a serious position so they can wipe out their opposition, while Congress waits to see if there's a peace treaty around the corner.

JOSE AZCONA HOYO, President of Honduras: The can be no peace, even if the Nicaraguans throw all their artillery and their helicopter gunships into Lake Managua, if there is no democratic opening in Nicaragua. The Nicaraguan people, both inside and outside, will keep fighting for their freedom and Honduras and Costa Rica will keep suffering the effects of that struggle.

TOMAS BORGE, Interior Minister of Nicaragua (answering an American reporter's question in 1983): That Nicaragua is the first domino [to fall] in Latin America . . . is one historical prophecy of Ronald Reagan's that's absolutely true.

OTHER ISSUES

KING FAHD of Saudi Arabia: Experts are of the opinion that the [oil] prices will fall to \$7 a barrel because of the price and production war. But I do not believe this will happen, because oil is a vital commodity for which there is no substitute. Substitutes which have been considered have proved to be costly and dangerous. Just remember the Soviet nuclear disaster. So it all boils down to the fact there is no substitute for oil.

DR. SA'DUN HAMMADI, Iraqi National Assembly Speaker: I would like to explain that Iraq . . . is fully prepared to allow the passage of the Iranian Army and volunteers from Iran across Iraqi territory to Palestine . . . with the [Iran-Iraq] war continuing as it is.

REP. BILL CHAPPELL (D-FL.), Chairman of the House Appropriations Subcommittee on Defense (on the U.S. Army's lack of computer expertise): The Army is worse off than the Navy and Air Force by light years in its computer development. If war were declared tomorrow, things would be chaotic because there's no computer system to organize people and equipment. The Army has accomplished virtually nothing on this and other projects despite spending hundreds of millions of dollars.

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Twenty Years After the Six Day War: Was it a Preventive War; a Preemptive War; a War of Choice; or a War of No Choice?

By Brig. Gen. Avraham Ayalon

Ed. Note: The views expressed in this article are those of General Ayalon, not of the IDF, in which he serves.

Twenty years have passed since the Six Day War in June 1967. Three more wars have since taken place — the War of Attrition in 1968-70, the Yom Kippur War in October 1973, and the Peace for Galilee War in June 1982. In the meantime, Israel's hope for peace has not materialized, except for a cold peace with Egypt. Israel has offered autonomy to the Palestinians in the territories, something they did not have during the nineteen years of Arab occupation, but they have refused. And, over time, a new custom has become apparent in Israel: people criticize — and even throw dirt on the wars of Israel and on Israel's army. The Yom Kippur War has become known as the "War of Error", and the Lebanon war as the "War of Self-Deception". It has even been said of IDF commanders in a generalized way that they have "a small head," as it were. We have reached the point that even the Six Day War has become the butt of destructive

criticism, rather than constructive criticism. There are those who call it a war of conquest and settlement, as if that was the objective of that war; they say that all the problems of Israeli society today are attributable to that war.

Today's youth, most of whom were born after June 1967, fail to understand what is truth and what is falsehood in regard to the Six Day War. It is important, therefore, that we tell about the Six Day War as if it were the story of Passover, and tell it to each new generation of fighters that is asked to prevent war by increasing the deterrent force of Israel, and if such force be lost, to see to it that the war is won. The best model for this is the Six Day War, in which we achieved a smashing and swift victory — the greatest victory in our current history.

Since space is limited, all the military maneuvers that led to that victory will not be described. Much has been written about them. Rather, I have chosen to deal with the subject that has not been discussed sufficiently, namely, key elements of the process that led to the



The Jewish Quarter of Jerusalem rises behind the plaza of the Western Wall. Prior to 1967, the Wall was sandwiched in an alley, inaccessible to most Jews and all Israelis, in the Jordanian-controlled section of the city.

Six Day War, to attempt to answer an important question. The answer to the question will determine, in my humble opinion, the willingness of the people of Israel and its fighters to pass the test of a future war.

It is hard to determine exactly when the process that led to the Six Day War began. If indeed Nasser thought to nullify the achievement of the 1956 Sinai War, the process began, in effect, at the end of that war. I tend to see the beginning of the process in January 1964, when the first Arab summit meeting took place. The resolutions that were arrived at there, which led to the escalations in Arab-Israeli tensions, were the following: diverting the sources of the Jordan River in order to thwart the Israeli national water plan, forming the joint Arab command, and the establishment of the PLO.

Mid-May 1967

On 14 May 1967, the Egyptian Army began to deploy in the Sinai. They used the excuse that the IDF was amassing forces in order to conquer Syria, an excuse that was based on Soviet and Syrian intelligence reports and on "proof" in the form of warnings by Israeli leaders, voiced on the eve of Israel's 19th Independence Day. Three weeks later, the war broke out.

The USSR did not engineer the war, however, there were a number of Soviet and Egyptian miscalculations and errors in judgement, which included:

1) the assessment that the U.S. would prevent Israel from attacking;

II) underestimating the IDF's ability and the willingness of Israel to fight;

III) incorrectly assessing an Israeli surprise preemptive strike against the Egyptian Army;

IV) believing it possible to stop the fighting before the IDF achieved any real success, and even make Israel withdraw under the pressure of the superpowers.

The Dilemmas of Israel's Decision Makers

After the Egyptians entered Sinai, and before the U.N. force was told to leave on 18 May, Prime Minister and Defense Minister Levi Eshkol and Chief of Staff Yitzhak Rabin decided not only to announce the readiness of the regular formations of the IDF, but to launch a partial mobilization of the reserves, including one armored brigade, the purpose of which was deployment of a containment force in the south.

The decision to mobilize was intended to deter Nasser, but also to create an offensive option for Israel. For although Israel may have hoped that the U.S. and the U.N. would be able to settle the conflict, Nasser was determined to continue the processes he had begun.

The Egyptian Army continued to move into the Sinai and Palestinian forces were deployed in the Gaza Strip. Furthermore, on the night of 22-23 May, when Nasser visited the Egyptian Air Force Base at Bir Gifgafa, he announced:

(Cont. on pg. 4)

The Officers and Board
are pleased to announce that the
Henry M. Jackson
Distinguished Service Award
will be presented to
Ambassador Max M. Kampelman
at JINSA's Annual dinner
Sunday, 8 November 1987

EDITORIALS

Two Saudi Sales

Last month, the Administration's proposed sale of F-15s to Saudi Arabia seemed reasonable. The 12-15 planes were to be purchased before McDonnell-Douglas stopped producing that model next spring. They were to be held in reserve in the U.S. and added to the Saudi inventory as the attrition rate of Saudi-flown planes required. The Saudi-held total would not rise above the present 60.

We still think that sale is reasonable.

The Saudis' reaction to the attack on the USS Stark is a separate issue which does highlight the lack of depth in the U.S.-Saudi security relationship. It also demonstrates the importance of distinguishing between Saudi Arabia's military posture as an enemy of Israel, and the Saudi role in defending the Persian Gulf, the oil fields and Western interests. It is in the U.S. interest, the Saudi interest and in Israel's interest that the situation be examined and that the U.S. and Saudi Arabia try to establish closer operational ties. This is not the same as selling the Saudis anything they ask for. Clearly we should not do that. But neither can we be disengaged from Saudi military capability.

The Saudi role after the attack on the Stark is not entirely clear. It is true, though, that the U.S. and Saudi Arabia have no agreement for the Saudis to come to our aid under such circumstances. It is further true that by the time the Saudis could get permission from higher authorities the attacking planes were already close to their base in Iraq.

The Saudis should not be permitted to continue to buy U.S. arms without understanding why we sell to them and what we need from them. It is not because we like them (irrelevant), because we approve of their foreign policy (we often do not), or even because we need their oil (we do not).

We sell arms to Saudi Arabia because we believe they should assume some responsibility for defending the Gulf — the avenue of their exports and thus the source of their income. The U.S. is fully prepared to help them — and the Gulf Cooperation Council — do that. We have said so, and we have proven so. And in the tanker war and the clear inability of the Gulf countries to defend the way alone, we may have reached a point where the Gulf countries are more enable than in the past to formalizing our position in the region.

Certainly we must try. The U.S. cannot continue to sell arms to Saudi Arabia without having some agreed-upon level of Saudi military help on tap. An assessment of Saudi capabilities, U.S. needs and regional realities could lead to a stronger U.S.-Saudi relationship and might help break the cycle of Saudi Arabia seeing each arms sale as a "test." We must pass. For example, one might wish to approve the additional F-15s, but see no possible justification for the proposed sale of Maverick-D air-to-ground missiles.

The Maverick-D is basically an anti-tank weapon; infra-red, giving it night capabilities; and useful against command targets and missile batteries. Saudi Arabia is gearing up to defend shipping in the Gulf, and protect the oil fields — presumably from air attacks, not Iranian tanks. Nothing Saudi Arabia appears ready to do requires anti-tank missiles. On the other hand, it would be an ideal weapon used against Israeli tanks.

Furthermore, few F-15s are unlikely to be transhipped to other countries hostile to Israel, Maverick missiles could easily "get lost." Though not a terrorist weapon, they can be mounted on a MiG (Syrian) or various other U.S.-produced aircraft (in the Jordanian arsenal, for example). Up against the Israeli border, they would be exceedingly dangerous.

Despite any assurance the U.S. might give, no Israeli planner could afford to ignore the new threat from the Maverick-D. This would be an example of the U.S. escalating the cost of weaponry to Israel by upgrading the quality of weapons we sell to the Arabs.

Saudi oil money is no longer infinite. Their need to recycle petrodollars has been reduced and they admit to having to budget their defense dollars more carefully. And because the case, it must make sense only to sell them items that have relevance to their projected threat, not weapons that can realistically be used against only Israel.

F-15s, not Mavericks.

Security Affairs

JINSA is committed to explaining the link between U.S. national security and Israel's security, and assessing what we can and must do to strengthen both.

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What is Our Stake in the Persian Gulf?

By accident or by design, the Iraqi attack on the USS Stark as we were planning to reflag Kuwait oil tankers leaves the administration in a not uncommon position — figuring out after the fact why we have used or need to use American military power. The Persian Gulf is a war zone. If we are to remain there, the American public, and the Congress, are entitled to know why. What are the "national interests" we need to protect and how can the military can help us attain them?

When we are talking about putting ourselves in a position where they might well be killed, our policy-makers must be specific about why we want them there. Reasoned positions, not mere dogmas, will be more likely to achieve the broad consensus that will support policies in that perilous area.

1. Our first American national interest in the Persian Gulf region is to let neither Iraq nor Khomeini's Iran win a decisive victory in their six-going-on-seven-year-old war.

If a fundamentalist Iran wins and topples Saddam Hussein from Iraq, Islamic fundamentalism would threaten to spread throughout the Gulf region and the rest of the Middle East. Especially vulnerable would be the fragile, conservative monarchies of Kuwait, Oman, the Emirates and ultimately, Saudi Arabia, substantially changing the conditions under which the West receives its oil.

On the other hand, it should be remembered that Iran is not a homogeneous country. Kurdish, Pushan and Baluchi tribes have nationalist tendencies that work to weaken the Iranian central government (no matter who is in control). Some of these tribes are in the region of Iran near Afghanistan, and their historic national homelands span the border. Should Iraq win a convincing victory, it could cause the disintegration of Iran as a state, creating chaos in a region next to the Soviet Union and into which the Soviets could insert themselves — to the distinct disadvantage of the West.

For strategic and political reasons it is preferable that Iran remain a viable state until the passing of Khomeini's Islamic fundamentalist regime. Taking into account Iran's population, infrastructure and geographic position, the U.S. would want to be able to come to some sort of accommodation with Iran after the Ayatollah.

Therefore, it is in the U.S. interest to have neither side win a decisive victory, or suffer a decisive loss.

At present, the military advantage seems to have shifted to Iran. Iran has fielded a better army than most thought she could, and Iraq has not demonstrated an ability to exploit its superior air power. Iraq apparently needs some American assistance to stave off the Iranians. Hence the justification offered for protecting Kuwaiti shipping — which benefits Iran.

In our judgment, however, if this were our only national interest involved, the risks would outweigh the possible gains. Having Iraq for a friend is no great bargain; the Iraqis started the war, they have used chemical weapons, they have bombed civilian targets; they started the tanker war; they hit our oil.

2. But there are other reasons for the U.S. to be in the Persian Gulf. It is in our national interest to keep oil flowing out of the Gulf, even though most of it goes to other Western nations. The question is, how much military risk should we ourselves bear in the absence of substantial help from the countries that most need the oil?

Oil will always flow out of the Gulf (short of a major war that destroys the oil facilities. But even that might only be a temporary setback.) One lesson we learned from the oil embargoes of the '70s, is that supply and demand do work, and whoever sits on the oil fields will have to sell oil. True, the potential for oil blackmail and other non-economic conditions attached to the sale appear more likely if radicalized regimes control it. But even though this is not necessarily a NATO issue, it should concern the Europeans and the Japanese as well as ourselves.

The way in which the U.S. approaches the allies and Japan, and the way in which they respond, will to some extent raise or lower our international credibility — and the degree of military risk that is warranted.

3. Our third national interest in the Gulf carries great weight. It is to keep Soviet influence there to a minimum and to maximize our own. Since the British pulled out of the region in the 1960s, the U.S. has been the predominant power there. The Arabs have an old antipathy toward the Russians, who have long coveted territory in the Gulf. More recently, Islamic countries have ideological problems with the Soviets as basically atheistic and prosecuting a barbarous war against fellow Muslims in Afghanistan.

However, the Soviets are making a concerted effort to win friends in the Arab world. During the past year, hardly a week has gone by without some Soviet delegation visiting an Arab country. The Egyptians have reestablished relations with the Soviets and are discussing an arms relationship with them. Our chief ally in the Gulf, Oman, has established diplomatic relations with the Soviets, and Kuwait has bought arms from them and requested their help in the tanker war. And Iraq is a Soviet client state.

Some warning of Soviet-Arab relations probably cannot be forestalled by us, but we must be prepared to maintain our position in the Gulf. This is so important that it does justify even the risks involved in putting Kuwaiti tankers under the U.S. flag.

4. International credibility is a fourth American national interest. To be sure, credibility is a nebulous thing, particularly in the Middle East where the Arabs are always saying our credibility is damaged by some imagined slight, by some policy toward Israel, by some arms sale not consummated, or by the position of the sun. But it is true for a country that has global responsibilities, that our behavior in one area will have an impact on our ability to operate in another.

In sum, we must first develop a consensus on the nature of our national interests in the Persian Gulf. Only then can we fairly ask our military establishment to determine our military posture abroad and the rules of engagement.

Of Crosses and Crescents

By Albert Schlossberg

Ed. Note: The Newbrief concerning the International Red Cross ("Security Affairs" April 1987) has aroused a great deal of interest among our readers. Although it is not an area of direct security interest, it falls well within our areas of concern. Mr. Schlossberg is a contributor to *The Jewish Advocate* of Boston (in which this article appeared) and a member of JINSA.

Symbols can be very important. The corporate and business world spends millions of dollars each year promoting them. MGM's roaring lion, RCA's "His Master's Voice," The American Flag, The Statue of Liberty, A swastika, the hammer and sickle, Star of David, cross. They are all symbols capable of evoking images in the mind of beholders. Some comforting. Some frightening. Some evil.

Dr. Fathi Arafat, Yasser's brother, head of the PLOs Red Crescent, has applied for membership... other "national liberation" groups have also been asked in.

For almost 2,000 years, the cross has been one of the most thought-provoking symbols in the history of the world. It has caused powerful emotions to flash through the minds of the hundreds of millions of people confronted by it. Millions found peace with it. Millions more suffered and died because of it. Governments and their leaders have risen and fallen because of it. Justice and injustice, rendered in its name.

The symbolic cross has had many variations. The cross of the Crusades. The Iron Cross. And then, the Red Cross, the International Red Cross, turned into a major symbol of bigotry by the men and women who sit on its governing body.

Before you tear up your checks, overheat your typewriters, or break your ball point pens in your haste to beat up on your local chapter of the Red Cross, back off, read on.

The American Red Cross

If ever a symbol was intended and expected to stir up emotions of caring, hope, relief, and solace it was that simple red cross on a white field. Think fire, think hurricanes, think disaster, think blood donor, your mind sees Red Cross.

Sure, we have all heard of complaints by GIs in WWII. Some didn't get hot coffee and doughnuts. Some resented female Red Cross workers socializing with commissioned officers. Some weren't able to get emergency leaves OK'd. Some gripes were legitimate, some were not. But after the war was over, all through the U.S., veterans and their organizations took up the challenge and worked closely with the American Red Cross and with local chapters. That good relationship continues to flourish. And it should.

And the International

But the International Red Cross is another matter. For that system I have only contempt. They've had oppor-

tunities to change my mind. The most recent was the International Red Cross Conference in Geneva, Switzerland, in late October 1986. There, despite forthright support by the American Red Cross, the IRC again refused to permit Israel's Magen David Adom (Israel's Red Shield of David, equivalent to the Red Cross) to join as a member among equals. To the IRC, the Red Shield of David is neither recognized nor accepted as a legitimate humanitarian organization, entitled to be part of the IRC family.

And the Crescent

Worse, by an action which only further diminished my minimal respect for the IRC, the Conference changed the official name of the organization to the "International Red Cross and Red Crescent Movement." Now, Yasser Arafat's brother, the same guy who inflated casualty figures in Lebanon in '82 to portray Israel as a nation of "murderers," the head of the PLO branch of the Red Crescent, will probably be welcomed to deliberation at IRC meetings. The Red Crescent is legitimate. The Red Lion and Sun of Persia (Iran) is legitimate. The Red Cross is legitimate. But a six-pointed red star on a field of white, is anathema, cursed, unwelcome in the IRC.

Israel & The "Liberation Armies"

Magen David Adom (MDA) is Jewish, so, ipso facto, to the machers at the IRC — or now the IRC&RCM — Israel's humanitarian organization has been, is now and will be considered persona non grata. So, what's new? Since 1949 Israel's MDA has applied for membership in the IRC. This year was no different. Representatives of the American Red Cross pulled out all stops in their effort to convince the IRC delegates to accept Israel's application. Israel could not have asked for or expected more from the Americans. All to no avail. Again the response was a flat NO.

There's a kicker. Dr. Fathi Arafat, Yasser's brother, head of the PLO's Red Crescent, has applied for membership in the IRC&RCM. Other "national liberation" groups have also been asked in. The word is out that Arafat's re-

quest, along with those of the "liberation" (spell that terrorist) groups will be welcomed with open arms.

Unfortunately, this story has not received broad media attention. No editorials in daily newspapers. No TV specials. No news magazines have considered it worthy of a cover story. MDA supporters have consistently included local Red Cross and American Red Cross leaders, but despite their support nothing will change until we make it clear that THE IRC&RCM HAS TO CHANGE.

A Modest Proposal

I propose that as a symbolic demonstration of our call for a change in the

bigoted, anti-Israel, anti-Jewish attitude of the IRC&RCM, we urge all Americans to withhold, AND CALL ATTENTION TO THAT ACTION, three percent of any and all contributions to the American Red Cross. That three percent is what the American Red Cross transmits to the international organization. The three percent will not deprive the local Red Cross of even a penny. By publicly holding back three cents of every dollar you contribute, you will be sending a loud and clear message to the world that the time has come to let the truth be known, the IRC&RCM is not the non-political, neutral organization it pretends to be.

Editorials In Brief

1. Romania: For years, Congress has routinely allowed Romania to retain Most Favored Nation trading status simply by refusing to act against it. This, despite Romania's serious human rights violations, including infringements of religious rights and emigration — guaranteed in the Helsinki Final Act. This year the issue cannot be ignored. Congressman Frank Wolf has introduced legislation to revoke the status, and the House handily adopted it. The Senate is now forced to actively consider whether or not Romania — the country that took 20,000 Christian Bibles sent by the World Reformed Alliance and turned them into toilet paper — is entitled to preferential economic treatment. The Romanians should live up to their contractual obligations, one must assume freely undertaken, before we give them the benefits of MFN.

2. The Soviets, too, should be held to the fulfillment of their treaty obligations. In September, Edith First was taken to a Soviet Union. One was Yuli Edelstein. We are pleased to report that Edelstein was released from prison in May.

But this must be contrasted with Soviet behavior in at least four other cases in which cancer victims received their visas too late, including Ilya Meiman, who died in the U.S. before she was able to receive treatment and Yuri Shepizman who died in Vienna only hours before he was to have boarded a plane for Israel; and seriously ill refuseniks who are unable to receive treatment in the West, including Faina Kogan (suffering from myeloma), Ilya Vaitzbit (multiple sclerosis), and Benjamin Charny (melanoma).

If this is how the Soviets treat their Helsinki obligations, how can we expect them to treat their arms control negotiations?

3. The release of a Circassian Moslem IDF officer from prison on the grounds that the Israeli security service fabricated evidence and used unacceptable interrogation methods reaffirms the supremacy of law and humanitarian treatment of prisoners in democratic countries — even for security services. One wonders how the Circassian Moslem would have fared in bringing suit in court against Khomeini's Revolutionary Guard, Syria's internal police, or the Nicaraguan security police.

4. A cheer for Matthias Rust, the German pilot who flew into Red Square — although it is unclear what the ramifications of deposing the Soviet Defense Minister will be.

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Six Day War

(Cont. from page 1)

nounced the closing of the Straits of Tiran and said that if Israel reacted with a war, "so much the better."

There is no doubt that by so doing, Nasser demonstrated the loss of deterrence by Israel and made war all but inevitable. Some have since argued that Nasser decided to close the straits because of a lack of judgment coupled with a sudden ecstasy that seized him when he saw his action-hungry pilots; others think he did it because of intolerable internal and inter-Arab pressures; some say he did it in spite of the fact that he had a choice because he was drunk with his success and the helplessness of the U.N., the Western powers and Israel. I have a different idea. One may recall that the blockade was an idea that followed the Samu'el Operation in November 1966. It was not then ruled out by Nasser, but rather postponed to a time he considered more suitable. Furthermore, it later came to light that Nasser did not decide to close the straits all by himself, but rather asked for the opinion of his advisors, including Field Marshal Amer.

Abba Eban went to Britain, France and the U.S. seeking 1) support for international action; or 2) support for Israeli military action that would not lead to immediate loss of political gains, including rehabilitation of Israel after the war.

In Israel

In light of these and other events in Jordan and Syria, it was decided to complete the mobilization of the IDF. It was also decided to bring General Chaim Barlev back from his studies in France and Minister Yigal Allon back from his mission in the Soviet Union. Israeli political and military decision makers had been surprised to varying degrees by the rate of advance of events and the loss of Israeli deterrent power.

Prime Minister and Defense Minister Eshkol convened a meeting on 23 May of government, army and political opposition representatives, where they decided to send a test ship through the straits. They also considered Israel's response to President Johnson's request to refrain from a military action during the 48 hours following the closing of the straits. Unprepared as yet for a real offensive response, Israel agreed. Finally, they decided to send Foreign Minister Abba Eban to France, Britain and the U.S. to seek support for one of two options:

I) international action that would turn the hands of the clock and spare Israel from war.

II) Israeli military action that would not lead to immediate loss of the political gains, including rehabilitation of Israel after the war.

Changing the Plan

While Eban was meeting with State Department representatives about the U.S. commitment to freedom of navigation based on 1957 documents, he found himself disturbed by a message from Israel. The message said time was running out, that the problem was not opening the straits, but the concentration of Egyptian forces in the Sinai

that was reinforced with the introduction of Armored Division #4. Moreover, Eban was asked to present the U.S. with the following question: what would the U.S. do, not in regard to opening the straits, but in regard to the threatening force in the Sinai?

In my opinion, the message was intended to signal that Israel wanted to act on its own and wanted the blessing of the United States. However, it was not stated clearly and Eban was confused. His confusion grew when he got another message about the possibility of an Egyptian-Syrian attack on Israel at any moment. Moreover, in this message, Eban was asked to obtain an American declaration that an attack on Israel would be considered an attack on the U.S.

Instead of providing this, the Americans made it clear, based on simulation games, that Egypt would not attack Israel, nor would Syria — but if they should, they would be soundly defeated. At the same time, the U.S. government contacted the Soviet government as well as Egypt and Syria to warn them against the possibility of a surprise attack against Israel.

President Johnson told Eban, "Israel will not be alone, if it does not act alone." In light of Johnson's remarks, the Israeli government decided on 28 May to postpone any action of the IDF. Moreover, in order to lessen the damage of waiting (in terms of Israel's morale and the economy) it was decided to demobilize some reserves.

The Egyptians Continue to Move

The Egyptians continued to move forces into Sinai and change their deployment in a way that showed that they were not only preparing for defense, but also to attack — massing threatening forces in the southern axis. They moved the 6th Division, initially at Bir Hassna, to Nakhl-thamad-untila, along with an armored brigade. They also brought a task force from the Rafah sector to the Wadi Kuria sector and replaced it with the 7th Division. They gave the Wadi Kuria force "depth" by forming another task force in the Jabal Marim Milla area.

There is no explanation, in my opinion, for the changes except to create an attack option, either for the occupation of Beer Sheva and joining with the Jordanian force at Mount Hebron, or minimally for the conquest of Eilat and joining with the Jordanian army at Aqaba. This is attested to also by political activity in Egypt which, not accidentally, was re-visiting old memories and arguments that Israel conquered Eilat after the cease fire with Egypt at the end of the War of Independence.

In the Bunker

On the night of 28 May, after addressing the nation, Eshkol went to the "bunker" of the Israeli high command



For years, Israeli children slept in bunkers under the threat of Arab guns.

to meet with the IDF generals and explain the political situation in greater detail. I was there and recall it clearly.

First, Eshkol told the generals about messages from Soviet Premier Kosygin and President Johnson, and his discussion with Soviet Ambassador to Israel Chubukhin. He emphasized that the Russians knew about the IDF intention to start an attack and they had cautioned that they would interfere and pressure the U.S. to curb Israel. He also emphasized that President Johnson was opposed to using the IDF and was forming a "multinational" armada to ensure freedom of navigation through the straits. He was certain, through his personal acquaintance with Johnson, that if the armada attempt failed, U.S. forces would be used for the same purpose.

The generals did not entirely accept Eshkol's arguments.

Ariel Sharon charged, "We have destroyed the deterrence of the IDF with our own hands and we have instead engaged in the diplomacy of weakness." He added that in the Sinai war, "we were harmed by the deal we made with the British and the French. Now we have to do the work ourselves and win all the fruits of victory. This depends on immediate action. Postponing the war — which is not a war for opening the straits but a war of survival — will bring greater losses."



Abraham Yaffe said the government had announced that the closing of the straits would be the cause of war, but did not back up its pronouncement, thus harming the honor and the morale of the nation.

Israel Tal recognized the right of the government to postpone action, but thought the problem was not navigation but survival. Tal called for putting an end to Nasser's arrogance by destroying his army, particularly since even if the multinational armada did succeed in breaking the blockade of the straits, it would not remove the threat of the Egyptian army in the Sinai.

Other generals spoke as well. Matti Peled emphasized the negative ramifications of the long slowdown in the economy due to the mobilization. David (Dado) Elazar emphasized the need for a surprise air strike as a condition for reducing losses and to restore Israel's deterrent — something only the IDF could do.

Some of the generals angered Eshkol, who answered forcefully among other things:

I) the IDF could not destroy the Egyptian people, only its army (which meant the Egyptian army could be rebuilt).

II) Israel cannot exist without the support of a superpower and has to take the latter's opinion into account particularly if the U.S. could prevent the

war:

(II) an army must understand the role of the politicians; and
(IV) the army is not allowed dissatisfied that would affect the decision-making process. On the contrary, the army must "take a deep breath and be patient."

To that point, Eshkol's words were received as "the words of an agent of God" and his reprimand was heard without interruption. But, when Eshkol said, in effect, that the presence of the Egyptian army in the Sinai, which is a part of Egypt, was legitimate and was not a cause for war, even I — a junior member of the group — interjected and contradicted him. Everybody was stunned by the outburst, including Eshkol. Yigal Allon, fearing the atmosphere would heat up, stopped the discussion. Eshkol, his aides and Allon left "the bunker" and the generals remained with the Chief of Staff to make plans based on the government's decision to wait.

The meeting in the bunker on the night of 28-29 May has been called "the rebellion of the generals," but as one who was there, I testify that this never happened. The IDF was fully obedient, and its generals, who only expressed some of the concerns that were on their minds, accepted the government decision in full.

The proof is that after Eshkol left, instructions were given to be prepared to absorb an Egyptian surprise attack on the front as well as in the rear. Even so, it was decided to demobilize 30,000 reserves, and the need for a broad "indocination" campaign among the commanders and rank and file of the IDF was emphasized.

Johnson understood Israel was becoming impatient... the U.S. was losing credibility. Therefore, it was better for Israel to act alone and for the U.S. to hope the IDF would be victorious — otherwise the U.S. would have to intervene.

National Unity Government

With the signing of the Hussein-Nasser agreement on 30 May, pressure increased to establish a National Unity Government and particularly, to remove the Defense portfolio from Eshkol. It went to Moshe Dayan.

On the same day, Eshkol sent a message to President Johnson, which said among other things, "based on your promises to Eban, we have rejected the activation of the IDF. But on the other hand, the danger to Israel has increased." Johnson understood that Israel was becoming impatient since Israel was surrounded, time was against it and the U.S. could not find the solution it had promised and was losing credibility. Therefore, it was better for Israel to act alone and for the U.S. to hope the IDF would be victorious — otherwise the U.S. would have to intervene.

The principle decision to use the IDF on the morning of 5 June was actually taken on 2 June. Dayan approved new plans for the IDF not to reach the Suez Canal; not to become involved with the superpowers; not to conquer the Gaza Strip in the first stage (so as not to become involved with the refugees); but to capture Sharm-a-Sheikh at all costs.

In the government session on 4 June,

Dayan proposed to authorize the Prime Minister, the Defense Minister and the Chief of Staff to use the IDF as soon as possible. His proposal was accepted by a majority, for by this time there was no escaping the Biblical verse, "He who is about to kill you, kill him first."

There was a huge enemy concentration against Israel along all of its borders. According to my own calculations, this included: 14 divisions, some 1,500 tanks and 700 aircraft. The force of the IDF at that time, which had grown by a factor of four since the Sinai war in quantity — and even more in quality — was at best half the Arab force.

And What Kind of War Was It?

The war lasted six days, and was dubbed the Six Day War. As head of the Military History Department of the IDF, I opposed that name for a long time, arguing that it did not address the long period of preparation and waiting that preceded the war. That period of preparation is very important in determining whether the war was one of prevention, preemption, choice or no choice.

Analyzing the results of the war make only a small contribution to the determination. There is a danger of relying too heavily on results, which distorts the causes. The benefits of the Sinai War have since mitigated its causes, while the less than total success of the Lebanon war have made many people forget why it was fought.

Each war has positive and negative elements, some of which can only be seen with a medium or long range perspective; this is true of the Six Day War. It should be said at the outset that the



Hafez Assad was Defense Minister of Syria in 1967. There are those who still blame him for losing the Golan Heights to Israel.

wrong with dealing the first strike to surprise the enemy, as did Joshua and Sun Tzu. All the armies of the world believe in the principle of surprise and need it; the bigger ones less than the smaller.

Israel, in particular, needs surprise, stemming from the defense doctrine that maintains that the war must be short in order to save lives, release the reserves, renew the economy and prevent superpower intervention at an inconvenient time. Israel then must catch the enemy off guard and precipitate his desire to stop fighting. This applies both to wars of choice or no choice.

There is a risk in this doctrine. Even when the war is not of choice, sinking the first blow raises the question asked of Cain, "What have you done? The voice of your brother's blood is crying to me from the earth." There is no disregarding this.

Preemption and Prevention

The nature of a preemptive or preventive war are also determined by the conditions at hand.

I believe the Six Day War was a war of no choice even though Israel struck first (unlike the Lebanon War, in which Israel struck first in a war of choice). Now

comes the question: was it preemptive, based on the assumption that the Arab armies were going to attack in a few days; or preventive, based on the assumption that they might have attacked in a few weeks or months?

The answer is in the realm of speculation, but time is not the one who strikes first gains militarily, while risking politically by being the "aggressor." But the risk in a preventive war is greater than in a preemptive war where the first strike can be more morally persuasive since he acts according to the dictum: He who is about to kill you, kill him first.

Also, in a preventive war, the initiator strikes first. In a preemptive war the initiator is on one side while the first attack is carried out by the other side. The Six Day War, I believe, should be seen as a preemptive war. If Israel had struck first in the Yom Kippur War, it would have also been a preemptive strike.

The Last Question

The question is, to some extent, whether it is best to suffer the first blow and win the political advantage, or to strike first, risk the image of the aggressor and lose political, economic and military support.

In the Yom Kippur War this question was answered differently than in the Six Day War, and Israel paid a high price. In the Lebanon war, we tried not to repeat the mistake, but again we paid a high price.

Now we realize that the dilemma is not one of first or second blow under conditions of choice or no choice, but the proper combination of the two which determines to a large extent the consensus inside the country and the international conditions outside. Moreover, the clear, realistic and agreed objective of the war, freedom of action and the necessary time for implementing it are also of decisive importance.



Capture of the Heights by Israel removed the threat of Syrian guns from the farmers of the Galilee, and provided Israel's first ski resort on Mt. Hermon.

NEWSBRIEFS

VITAL INTERESTS: In a March poll, Americans were asked in which of a number of countries the U.S. has a "vital interest." The leaders were Great Britain — 83%, Canada — 78%, Japan — 78%, West Germany — 77%, Saudi Arabia — 77%, and Israel — 76%. Countries weighing in at over 50% included Mexico, The Philippines, Egypt, China, Nicaragua, South Africa, South Korea, France, and Taiwan. Iran was exactly 50%.

AND ARM FEELINGS: In the same poll, respondents were asked to rate countries on a "feeling thermometer," on which 50 degrees is neutral. Saudi Arabia and South Korea rated "neutral." Countries toward which there were warm feelings expressed included, Canada, Great Britain, West Germany, Japan, Mexico, Israel, France, The Philippines, Italy, Brazil, Poland, China and Taiwan. Those toward which respondents had cool feelings included Egypt, India, South Africa, Nigeria, Nicaragua, Syria, the Soviet Union, and at the bottom Iran with a rating of only 22 degrees.

SUPPLYING IRAN: The U.S. released a list of countries that have supplied arms to Iran between 1980 and 1986. Some countries ceased to do so after the U.S. embargo. However, those believed to have shipped equipment in 1986 are: Bulgaria, China, Czechoslovakia, Denmark, E. Germany, Hungary, Japan, Korea (both North and South), Netherlands, Singapore, Spain, and Switzerland.

TECHNOLOGY TRANSFER: In 1983-84, Norwegian and Japanese companies sold to the Soviet Union the technology to make ultraquiet submarine propellers. Although Pentagon sources believe the Soviets have not had time to put the new systems into operation, they say the technology represents "a tremendous jump" in quieting propellers, thus allowing Soviet subs to patrol closer to the U.S. without detection.

Although the governments of Norway and Japan have levied stiff fines against Toshiba Machine and Kongsberg Vappenfabrik, the companies now fear being frozen out of the U.S. defense market.

REMEMBER MEDVID? The Commission on Security and Cooperation in Europe, an independent congressional agency also known as the Helsinki Commission, reported that the Reagan administration broke several laws when it sent back to the Soviet Union a Ukrainian seaman who twice jumped from a Soviet freighter in New Orleans in 1985.

FLEEING NICARAGUA: According to U.S. Permanent Representative to the UN Vernon Walters, history shows that following the installation of a Marxist government, 8-10% of the total native population flees — generally to become refugees. This was true, he said, in Eastern Europe, Southeast Asia, Cuba and Africa. Now the Puebla Institute, a lay Catholic human rights

organization, has issued a report based on interviews with Nicaraguans in refugee camps in Costa Rica and Honduras. Among the reasons they gave for leaving were restrictions on religious freedom, arbitrary arrest and detention, and forcible resettlement by the Sandinistas. How many have fled? Puebla estimates 300,000 Nicaraguans — 10% of the population.

COUP FAILS IN SYRIA: Arab diplomatic sources confirm that a coup attempt by Alawite air force officers resulted in the execution of 40 of them. The Alawites are the minority sect from which President Assad comes.

WE DIDN'T KNOW THEY HAD ONE OF THOSE: According to the Beirut Voice of Lebanon Radio, Israel launched helicopter attacks against the city of Sidon on 29 April from an aircraft carrier anchored off the southern coast of Lebanon.

SOVIETS & EGYPT: According to a semi-official Cairo newspaper, an Egyptian military delegation was scheduled to visit Moscow to hold talks on purchasing \$200 million worth of Soviet arms, including long-range surface-to-surface missiles, tanks and advanced aircraft.

IRAQI CHEMICAL WEAPONS: A panel of U.N. experts has again unanimously determined that Iraq employed chemical weapons in its war with Iran. For the first time since the U.N. began investigating the matter in 1984, the experts (from Spain, Sweden, Switzerland and Australia) have reported civilian casualties.

POLLING IN ISRAEL: The Smith Research Center reports that Israeli confidence in the unity government, after rising steadily from August 1985 to September 1986 from 35% to 63%, fell to 32% in April 1987. Most of the key leaders' popularity also declined. Between October 1986 and April 1987, Shimon Peres fell from 77% to 62%; Yitzhak Shamir fell from 55% to 36%; and Ariel Sharon fell from 33% to 31%.

TABAH: American sources, reported in Israel, indicate that Egypt may be willing to consider a compromise on the disputed area of the Sinai. It was reported that elements in Cairo believe consideration should be given to the possibility of an arrangement based on joint management and making the area an international zone. Some Egyptian jurists who have received information about the Israeli claims, have expressed concern that the arbitration process will not end in a favorable decision for Egypt.

WHAT THEY ARE SAYING

RICHARD PERLE, Former Assistant Secretary of Defense for International Security Policy: "The foolishness of a nuclear-free world is in no way mitigated by the 'conditions' that Western statesmen routinely attach to its achievement in order to avoid dismissing the idea as the empty propaganda that it is These arguments are deployed by officials and politicians who fear that the public would not support them if they simply rejected outright Mr. Gorbachev's beguiling maneuver.

"This, I believe, is profoundly mistaken. Our people are more realistic than many politicians and most Foreign Offices think. They will work their way through an issue like this one, and they will get it right. But they will get it right sooner and with greater confidence if their leaders earn their pay and begin to lead."

GEORGE SHULTZ, U.S. Secretary of State: "So we pursue our negotiations, and we work at arms control, or regional problems, and so on, and we want to see things move in a constructive way. But at the top of our list has to be — and always is, in any meetings that I have with the Soviet leadership — the problem of human rights. I think Mr. Sakharov said it very well when he said that, in a deeper sense, you can't imagine genuinely meaningful arms control or security relationships with a country unless there is some record of living up to undertakings about human rights."

GEN. JON PIOTROWSKI, Commander in Chief of the U.S. Space Command and NORAD, concerning the Soviet ASAT "moratorium." "It is a distortion of the situation that actually exists to characterize the Soviet's ASAT testing hiatus as an indicator of Soviet 'restraint.' The Soviets have, right now, a fully operational satellite interceptor. Its booster continues to be launched on a routine basis. The interceptor itself has long passed the milestone of full operational capability and the Soviets have demonstrated their expertise in precision spacecraft maneuvering in their Sovuz and Mir programs."

"Clearly, this is not 'restraint'; it is nothing more than the Soviet's admission that their operational satellite interceptor has such high reliability and that further testing is no longer essential."

YITZHAR SHAMIR, Prime Minister of Israel: "This is truly one of the most serious problems we are facing. It is no secret that the IDF is too big for Israel and demands too large a portion of the Israeli economy. The problem . . . is summed up in how much we can allow to the IDF or other services. A sound and stable economy is a reversible element, although a very important one, constituting part of the state's security system. When one delves into these issues, one cannot avoid the conclusion that one must expand the economic potential to be able to provide the IDF with what it requires."

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NEWSBRIEFS

NO MEDIA FOR BRIGHT STAR: Egyptian officials cancelled media access to the Egyptian-American military exercises called Bright Star. The biannual event includes joint land, sea and air maneuvers by approximately 9,000 Americans and an equal number of Egyptians. Media coverage was cancelled by Egypt to avoid provoking Iran, which has called for retaliation against the U.S. and "its lackeys" for recent rioting in Saudi Arabia.

NO GLASNOST FOR AMERICA: Since the announcement of glasnost as an element of Soviet policy, the following statements about the U.S. have received prominence in Soviet media:

The Defense Department developed the AIDS virus.

The CIA was behind the 1978 suicide of 914 Americans at Jonestown, Guyana.

President Nixon was ousted by the Pentagon.

Indian Prime Minister Gandhi's assassins received "ideological inspiration" from the CIA; and

Samantha Smith, the Maine schoolgirl who visited the Soviet Union and wrote to Soviet leaders about peace, was murdered by U.S. intelligence agents.

FRANCE SAYS NO: According to reports from Paris, France will not help to rebuild Iraq's nuclear reactor, destroyed by Israel in 1981. French Prime Minister Jacques Chirac told Israel's Ambassador to Paris that the letter he sent to Saddam Hussein of Iraq concerned Iraq payments for French arms shipments, and that he, Chirac, upon becoming PM had undertaken not to renew discussions about the reactor with Iraq.

(Cont. pg. 6)

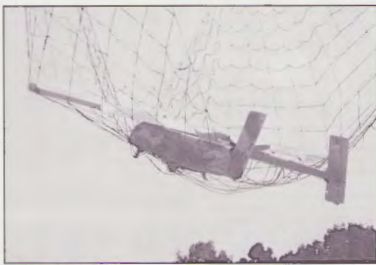
Ed. Note: Since 1982, and in particular on the fifth anniversary of Operation Peace for Galilee, numerous attempts have been made to determine "lessons" from the operation. The Soviets, no less than the Israelis, the Syrians and the Americans, have been reviewing the battles and the performance of their hardware. By using the available literature, Mr. Miller shows us some of the Soviet conclusions. This article appeared in the 21 July 1987 issue of the "Armed Forces Journal International," and is reprinted with permission.

Have you ever wondered what it would be like to be in the locker room of a football team that had just lost 80-0? If this team happened to be the farm club of the top team in the nation losing to the farm club of its chief rival, you could bet that there would be a blistering critique of what went wrong.

Well, that's what happened when the Israeli and Syrian air forces clashed over Lebanon's strategic Bekaa Valley in 1982. Israeli aircraft repeatedly penetrated a dense network of Soviet-made and -directed missile defenses and shot down over four-score Soviet-made Syrian aircraft without losing a single one of their own fighters in the dogfights. This has got to have rung alarm bells in Moscow!

It's true that the Syrians were the farm team, not the major league. The Director of the Defense Intelligence Agency, Lt. Gen. Leonard Perotti, recently cautioned against underestimating Soviet

by Marshall Lee Miller



Col. Dubrov claimed in his article that there was little new in Israeli tactics. He asserted (wrongly) that air tactics today are little different from those during WWII.

weapons merely because the Syrians mishandled them: "The Syrians used mobile missiles in a fixed configuration; they put the radars in the valley instead of the hills because they didn't want to dig latrines — seriously." His conclusion may indeed be right, although I'm still puzzled why Syrians can't have bowel movements on the top of mountains.

Setting the Stage

Let's recall what happened in 1982. The civil disorder in Lebanon led to Palestinian shelling, the intervention of Syrian and other Arab "peacekeeping" troops, Israeli air strikes at terrorist strongholds, and the deployment of Soviet-made Syrian SA-5 surface-to-air missiles in Lebanon. Israel had warned that the SA-5s were intolerable, and finally launched a well-practiced surprise air attack on the Syrian air defenses. Within a few minutes virtually all of the 19 SA-5 batteries were destroyed. Syrian MiG-21s and MiG-23s rose to challenge the assault and fell victim to waiting Israeli fighters. Almost 40 Soviet-made Syrian planes were downed in the first two days, and over the next two months another 40 to 45 were shot down.

The Soviets were alarmed. They immediately dispatched a senior fact-finding mission to Syria headed by a senior general and followed with a visit to Damascus by the Chief of the Soviet General Staff, Marshall N.V. Ogarkov. They also made a halting effort to

stem adverse news reports of the clash, for third world arms customers and military commentators around the globe loudly speculated whether Soviet arms were grossly inferior to those of the West. The Russians first tried to attribute the Israeli success entirely to surprise attack, then claimed in the Red Army newspaper *Krasnaya Zvezda* on July 18th that the Syrians had succeeded in shooting down a total of 67 Israeli F-15, F-16 and other fighters. Other articles gave graphic details about Syrian air victories that occurred only in the writers' imagination.

Reading the Russians

Nevertheless, our focus here is not on the real performance of either the Syrians or Soviet weaponry, but rather on the Russians' locker room analysis of the Bekaa debacle. Our periphrase is a two-part series (September and October 1983) in the Soviet Union's leading aviation magazine, "Aviatsiya i Kosmonavtika." Ironically, the author who had to explain the failure of the aerial game plan was the same officer, Col. V. Dubrov, who had expounded it in such detail a few years earlier.

That seven part series, entitled "How Aerial Combat has Changed" in "Aviatsiya" (March-September 1978) had discussed technological and tactical developments but essentially reiterated the Soviet doctrine of tight ground control of air operations that the Syrians tried to follow with such disastrous results.

(Cont. pg. 5)

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EDITORIALS

If The Tankers Are Ours

Shaykh Sa'ud al-Sabah, Kuwaiti ambassador to the United States, made the following statements during an interview published in London in Arabic:

However, the decision to provide protection is a U.S. decision. Kuwaiti arrangements were nothing more than the reorganization of ships in the United States. The ships are now American. Protection is American, and the question of protection or response (in case of attack) concerns (the U.S.) alone. As for the question of how much (protection), it is being raised within U.S. circles. The U.S. administration must have laid down plans and measures to protect its warships. The important point now is that the ships are not Kuwaiti, and any measure to be taken would therefore be American and not Kuwaiti.

That being the case, we propose that the U.S. sell the reflagged tankers to the highest bidder and pocket the profits.

Let's Benefit from the Lavi

Cancelling the Lavi fighter program surely ranks as one of the most difficult decisions taken by the government of a democratic country. Emotional, economic and political factors came to weigh as heavily as security factors. In the end, even deciding to decide took political courage.

Now that the Israeli government has acted, the U.S. can and should help ensure that their decision will not be regretted later. There are mutually beneficial possibilities that merit serious exploration.

One is a role for Israel in producing a future advanced version of the U.S. F-16. Economies of scale are too small to warrant Israeli co-production of the very planes Israel plans to buy. Rather, the work might be a direct offset in which Israel produces a portion of the plane for all of the planes produced — as the Europeans presently do. Israeli experience with the present version of the F-16 has generated valuable information that surely will be incorporated into future models. Israel surely could produce one of those modified parts.

Another way to work with Israel's aircraft industry is to make use of Israel's specific expertise in developing a ground attack aircraft (that was to culminate in the Lavi). The Israeli Air Force had concluded that survivability of a tactical aircraft required a very maneuverable, high speed plane with a high degree of automation and integration of its flight control, weapon delivery, threat detection and electronic warfare systems. The Lavi has independently maneuverable canards closely coupled to its delta wing; a high thrust-to-weight ratio; low drag through internally stored fuel and avionics; self contained countermeasure equipment, all adding to survivability.

The West, not only the U.S., needs a new ground attack close-support plane. Sweden, France, and Great Britain — with their JAS-39 Gripen, Rafale and EAP (Experimental Aircraft Program) — and others have also recognized the survivability problems posed by the modern battlefield. The U.S. has concentrated exclusively, until very recently, on the ATF, a potential advanced air superiority fighter. The U.S. Tactical Air Force has been offered only crumbs, a reengineed A-7 and a more agile F-16. The A-7 has a 1960 airframe, and is an attempt at a quick solution to the A-10 obsolescence that probably solves nothing. The F-16 is a superb aircraft, but its agile version will not fare as well in the ground attack/close air support role as an aircraft specifically designed for this purpose. The U.S. is sponsoring some studies on new aircraft specifically designed for this role; however, these aircraft will not be available until the late 1990s at the earliest. And it is unclear that these aircraft will be much better than the Lavi.

Is this realistic? There is ample precedent. The F-16 has a successful multinational program with Norway, Belgium, Holland and Turkey participating. The U.S. can take the lead in developing an international ground support aircraft for tactical air forces of the West. In that context, the Lavi program has something to contribute, even if the plane as originally conceived is never produced.

Security Affairs

JINSA is committed to explaining the link between U.S. national security and Israel's security, and assessing what we can and must do to strengthen both.

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A New Definition of Chutzpah

Former Chairman of the Joint Chiefs of Staff, General John Vessey, met recently with officials in Vietnam to attempt to determine the fate of U.S. soldiers missing in action since the Vietnam War. The Vietnamese, on the other hand, were meeting with us in an attempt to determine how far they would have to go to get U.S. aid.

Vietnamese arrogance should make it clear that we do not have much common ground. "For the last 12 years, we have handled humanitarian issues for the United States. I think now the United States must — has already made a start to — deal with the humanitarian issues of Vietnam," said their chief spokesman.

Vietnamese "handling" of humanitarian affairs includes their refusal to consider the fate of the children of U.S. servicemen in Vietnam, some of whom are now old enough to be drafted by Hanoi. They refused to allow Americans to determine the fate of MIAs until long after evidence of their location could be covered by the forces of nature in the jungles. To this day we have to rely on their "findings" of wreckage, doled out to keep us interested in further "negotiations."

It is clear that Vietnam has a great need for American money, which is unrelated to anything they might call their own "humanitarian concerns." In their humanitarian desire to build a united Vietnam after 1975, they wrecked the once productive economy of the south; forced thousands of people into concentration camps (euphemistically called "reeducation centers," some of whose inmates have been reeducated for over a decade); massacred thousands of others (a systematic attempt to determine how many people were killed after the fall of Saigon was conducted by researchers who reached shocking conclusions); created conditions whereby over a million Vietnamese fled the country in boats, braving the seas, the pirates and an indifferent world (with some notably generous exceptions, including Israel and the U.S.) to get out of the socialist workers' paradise created by the men in black pajamas.

Vietnamese international humanitarian gestures include 75,000 soldiers in Cambodia, providing only marginally more effective government for the people than the Khmer Rouge, and an army that far exceeds the percentage of population at arms anywhere else on the Indochinese peninsula.

Perhaps if they freed the prisoners, untied the economy and returned their soldiers to productive enterprises inside their own borders, Vietnam would not be one of the poorest countries in the world.

Under no circumstances should we finance the continuation of their abhorrent policies, and it would be ghoulish for the U.S. to ransom information about MIAs.

There Are Enough Weapons In The Gulf — Ours

The Administration should abandon its proposal to sell Saudi Arabia \$1 billion worth of new arms.

We continue to support U.S. arms sales to Saudi Arabia sufficient to ensure Saudi stability, balancing such sales with Israel's security against a combination of Arab threats. Saudi Arabia with a conservative monarchy suits American, Western and Israeli interests better than Saudi Arabia in the hands of religious fundamentalists or radical secularists. Saudi Arabia able to help defend the Gulf is better than Saudi Arabia unable to do so.

The Saudis are already outfitted with American equipment. They are training, flying and shooting with American arms. Thus far, however, they are unable or unwilling to defend the smaller states that look to them for protection. The Saudis do not need more Western weapons to not use. They can just as well not use Soviet weapons.

The big guns in the region are American. For the time being, at least, the fate of the Saudi king is in our hands, and we will not (or should not) let him fall. Kuwait, Oman, Bahrain and the Emirates have to rely on the U.S. as well if the war spreads to their territory. That is not a happy thought for us, but that is the unspoken military responsibility we assumed when we went in there.

The Saudi problem is not lack of weapons. It is political. They have been attempting to appease Iran by allowing the price of oil to rise; by allowing Iranian "pilgrims" to demonstrate in Mecca (this was the third year Iranians had permission to have political demonstrations during the Haj and the Saudis had not expected it to get out of hand); by not taking military action in the Gulf, by not being overly close to the U.S. by financing Iran's purchase of American weapons through the offices of Adnan Kashoggi. But appeasement won't work because the Iranians are driven by centuries-old religious rivalries.

The American position in the Gulf is complicated by the fact that we are NOT the driving factor either in the Iran-Iraq war or in the Sunni-Shiite confrontation — we are simply a convenient place for everyone to place blame. We cannot hope to improve the situation by dropping more weapons into Saudi Arabia as a cover for the lack of Gulf policy from which we, and the Saudis, suffer.

If the Saudis have begun to worry about their security in a practical way, there are steps they should take. One is to accede at last to overt operational cooperation with the U.S. Another is to suggest Kuwait and Bahrain do the same. All of the Gulf states claim to suffer now for their perceived association with the U.S., without reaping the security benefits of a real association. Recognizing that not all cooperation has to be public, the time has come to work together to utilize American military strengths in the area, balance American shortcomings, and protect the states that want and need protection.

Safeguarding Technology: A Primer on What Must Be Done

by Dr. Stephen D. Bryen

Ed. Note: Dr. Bryen is Deputy Undersecretary of Defense for Trade Security Policy.

When I was asked six years ago to head an effort in the Pentagon to stop the Soviet Union from stealing technology from the Western industrial world, I had only a partial idea of just how far reaching and difficult the problem of diversion was. But it did not take me much time to learn, thanks to a French-run agent inside the Soviet Union who gave us information on the full scope of the Soviet program to acquire Western technology.

The Soviet Union needs technology from the West to assure the success of its military program which, despite huge investments, will not be able to compete with the West in the 1990's. This is the inevitable result of the Soviet Union's sterile economic system. New technology has not emerged in the USSR nor in any of the Warsaw Pact countries even though there is good science and a very large number of engineers compared to the West.

"A French-run agent inside the Soviet Union . . . gave us information on the full scope of the Soviet program to acquire Western technology . . . the (export control) list we use is the Soviet list!"

In order to upgrade existing weapons in the Soviet arsenal and introduce new systems the Soviets now either buy or steal manufacturing equipment, production lines, designs, scientific and engineering information, and hardware which meet their requirements. In addition, the Soviets have taken shortcuts that include direct copying of American and European weapons systems and subsystems.

Procurement Cycles

We need to keep in mind in pondering this important development that the procurement cycle in the United States and throughout NATO for a new system or for a major refurbishing of an older system is rarely less than seven years and usually between nine and twelve years. In addition, systems are not as frequently improved in the West because improvements are less economically attractive and politically popular than building new systems. On the other hand, more or less free from political and market-type economic problems, the Soviets capitalize on our long lead times to import or clone our technology in upgrading their systems. When we see this in the context of a very much larger Soviet military force and keep in mind that we are dealing with a nation whose international "responsibilities" are far smaller than ours, the Soviets have the possibility of enhancing their geostrategic aims provided their force structure is credible. (Having more than 80 of their jet fighters shot down in Lebanon by Israeli pilots flying U.S. aircraft is not a plus; nor is having a German student land a Cessna in Red Square.)

This is why the Soviets and their

Warsaw Pact allies have a far reaching program for technology acquisition. It ranges from employing the KGB and GRU (Soviet military intelligence) and their sister agencies in Eastern Europe to hiring shrewd businessmen in Western Europe and in the Far East. Literally thousands are out collecting against a shopping list whose main purpose is to reindustrialize the Soviet military-industrial infrastructure.

The List

Much has been said about our own American lists of embargoed items that are not to be sold to the Soviet Union or the other Warsaw Pact countries. For example, *The Washington Post* editorialized recently that the Pentagon "doggedly" pursues the idea of making the export control list longer rather than streamlining it which *The Post* and others would like so that American companies could sell more to the Soviet bloc. We in the Pentagon are targeted as the "bad guys" who are preventing a potential trade bonanza for American companies.

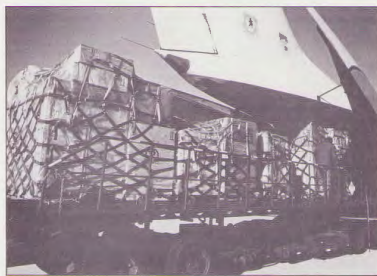
Of course I do not agree with *The Washington Post*. The list we use is the Soviet list! That is how we determine what needs to be controlled and how we gauge what is really important to Soviet military planners. It is an entirely inadequate approach grounded in empirical reasoning — in this case Soviet reasoning.

And we think our way of doing things is working and can be made to work better.

The Program

Since 1981 when we started to restructure the program at the Pentagon we have managed to make the Soviet task of diverting technology much more difficult. We have resisted countless efforts by many well-meaning individuals who wanted to take our technology for some short-term political gain or who even, from time to time, wanted to throw some technology at the Soviet Union as a good will "gesture." Such gestures are terribly dangerous and tend to earn disdain, not respect. Most importantly, we have stopped the transfer from the United States and from many of the NATO countries of the sale of turn-key factories that could augment Soviet military capabilities.

The most impressive example of our program has been in the areas of microelectronics and computers where we emphasized the great importance both play to the long range ability of the Soviet military to compete in the 1990's. In 1981 we found that the Soviet Union had narrowed our lead in microelectronics to between one and two years. In computers they were about seven years behind us. And our information showed



Cooperation among Western countries is working to deny high technology to the Soviets. These computers were stopped by the Swedish and West German governments and returned to the U.S.

that if their acquisition program was not blunted in some way, they would soon equal us at least in those areas most pertinent to military competitiveness.

Clearly there are two different kinds of competitiveness. Commercial competitiveness exists almost entirely within the Western industrial community. Military competitiveness is world-wide. The technology base for both is overlapping and commercial developments are vital to military capability. But the cycles are markedly different because of the lead times associated with military hardware and due to radically different market conditions. Military purchases are made by nations and not by individuals — they take longer to make in most cases and there is far less of a market effect involved.

Because of the national security implications, military competitiveness is the key to an environment supportive of free trade and free enterprise.

Our objective to maintain America's military competitiveness might not succeed without limiting the Soviets in key areas. I can report, with some pride, that the Soviets have not progressed well in the computer area and may have lost ground rather than gained any since 1981. Our estimates show that they may be ten to fifteen years behind us now, thanks largely to our export control program. This means they will not be in a position to produce their missile defenses. Perhaps most important of all, they will have great difficulty achieving the reliability needed for modern weapons systems. Even more important than the increasingly high level of computer capability available thanks to higher density circuitry now being produced is the much higher reliability of computers due to dramatic improvements in manufacturing techniques.

The same can be said in the area of microelectronics where the Soviets seem to have failed to develop effectively in the third generation. For example, the USSR despite trying hard, has not manufactured any substantial number of chips equivalent to the micro-

processor in the IBM-type PC. This means they are eight or more years behind the West including small, but technologically aggressive, countries such as Korea, Singapore and Israel. Again this points to the success of our program.

Kongsberg & Toshiba

But there are some real failures too. The most unhappy of all was the discovery that grew out of work done, in part, by my organization in the Pentagon that two premier companies, one in Norway and one in Japan, had helped the Soviets to quiet their nuclear submarines and thus evade detection from our own naval forces.

This is a major defeat for NATO and has negative consequences for our naval programs. Billions of dollars will have to be spent to try and "fix" the problem, but we will never entirely regain the position we held.

The two companies involved were Toshiba of Japan and Kongsberg of Norway. Both are highly respected companies. Kongsberg is owned by the Government of Norway and has a long history as a weapons manufacturer. Toshiba is a multi-billion dollar corporation which has, as one of its subsidiaries, a machine-building company which manufactured at least eight highly specialized machines that were shipped to the Baltic Shipyard in Leningrad so that special quiet propellers, that look a little like egg beaters, could be manufactured for Soviet submarines. Kongsberg built the computer equipment and did the software to run the Toshiba machines.

This affair is more than an accident. Premier companies do not conduct themselves this way unless they perceive an environment supporting such trade activities. What we see in this instance is two companies that believed they would not be interfered with by their governments and, in the case of Kongsberg might have had the impression that their government was actually backing them.

My reasoning is as follows. For at least

(Cont. pg. 4)

Let's Not "Write-Off" Nicaragua

by Jim Guirard, Jr.

Ed. Note: Mr. Guirard is a consultant in governmental affairs and a frequent contributor to "Security Affairs."

Recently, this writer proposed that the then-nameless policy of most congressional Democrats toward Nicaragua be labeled "The Wright-Off Doctrine," since it would inevitably write off that country to the Soviet Empire. The name is gradually catching on, simply because it is true.

Some thought was given to naming this isolationist-pacifist policy after House Speaker Jim Wright: "The WRIGHT-Off Doctrine." But there was still hope that the Texas Democrat might desert the pseudo-liberal "left" wing of his party and join those seeking to liberate Nicaragua from Soviet and Cuban colonialism.

For a fleeting instant, Mr. Wright did seem to tilt away from his "write-off" colleagues. He even proposed — jointly with President Reagan, no less — a plan which, while seriously defective, placed at least some real pressure for reform on Nicaragua's "Stalinist" dictatorship.

But, almost immediately, the Speaker ruled his own plan out of order, in favor of the far weaker "Arias Plan #3." The designation #3 for this proposal by Costa Rican President Oscar Arias is, incidentally, the result of its having been twice rewritten to satisfy Nicaraguan and Cuban requirements — such as immediately ending U.S. aid to the freedom fighters but permitting unlimited Soviet and Cuban aid to the Stalinists.

So where does this leave President Reagan, who set aside his own liberation doctrine to accommodate Speaker Wright? In limbo, halfway between the now defunct Wright-Reagan plan and the retrograde Arias-Wright plan — endorsed now by none other than Fidel Castro!

Bluntly speaking, it leaves the President's famous "keester" fully exposed to those in Congress and in the media whose wishful thinking and whose appetite for surrender do, indeed, promise to abandon Nicaragua to Castroite tyranny. But there is a way out. Now that the Speaker and his band of "Wright-wingers" (Reps. Bonior, Coelho, Alexander, et al.) have unilaterally abandoned Wright-Reagan, the President should do the same. Certainly he should not feel bound by any associated "agreements and understandings" — such as not to lambast congressional Democrats, not to vilify the Stalinists and not to seek more freedom-fighter aid before September 30 — when those to whom he had made such commitments have long ago jumped ship. Instead, the President must clear the cobwebs of appeasement and retreat from his mind and reactivate those powerful "doctrines" by which a long succession of American Presidents — and Congresses — have fought to keep European colonialism, and particularly communist colonialism, out of the Western hemisphere.

***MONROE DOCTRINE:** "...the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as

subjects for future colonization by any European powers."

***ROOSEVELT COROLLARY TO THE MONROE DOCTRINE:** "...the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of wrongdoing or impotence, to the exercise of an international police power."

***TRUMAN DOCTRINE:** "...I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures."

***KENNEDY DOCTRINE:** "...Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty."

The Reagan version of these policies (all authored by "classical-liberal" Democrats) was at one time very clearly stated.

***"REAGAN DOCTRINE":** "...we must not break faith with those who are risking their lives — on every continent, from Afghanistan to Nicaragua — to defy Soviet-supported aggression and secure rights which have been ours from birth."

And, contrast these all with the doctrine of the Democratic party as expressed in H.J. Res. 175:

***"WRITE-OFF DOCTRINE:** would impose a never-ending "...moratorium on additional assistance for the Nicaraguan democratic resistance until the Congress has determined, by enacting a joint resolution, that the President has fully and adequately accounted for

*1) any proceeds from the sales to Iran of military equipment provided by the United States, regardless of whether the assistance was received by the resistance;

*2) the \$27 million that was appropriated (in 1985) for "humanitarian assistance"; and

*3) any assistance, regardless of whether the assistance was received by the resistance, that was encouraged by the Government or any officer or employee of the Government."

The highly-principled statement of the Reagan Doctrine was made when "Reagan was Reagan" — before certain "pragmatist" advisors led him away from himself and into the camp of those who seek incessantly of "peace" but who become highly uncooperative when they hear someone insisting on FREEDOM and LIBERTY as well.

Before his Presidential term is too far gone to permit his helping to liberate Nicaragua, Ronald Reagan must recognize what normally results from such "peace plans" as he is currently embracing and "welcoming." Almost without exception, they produce something more correctly spelled p-i-e-c-e — the tragic write-off of yet another piece of the planet and another piece of humanity to the Soviet Empire.



Halting the export of computers such as this has increased the U.S. lead in computer technology to 10-15 years.

Technology (Cont. from pg. 3)

ten years the Government of Norway assisted Kongsberg in its effort to get Soviet contracts and to get approval for sales to the Soviet Union of products that fall under the embargo program. Such activity was, of course, entirely legal and above board. But when you realize that a major weapons manufacturing company involved in some of the West's most sensitive production including the F-16 fighter production, was being encouraged to promote sales in the Soviet Union, it is no wonder that the company lost its common sense and went ahead with the sale of computers to the Baltic shipyard. Of course, Kongsberg did not tell this to the Norwegian government which, had it known about it, would have put a stop to it immediately.

But the people in charge of trade in Norway, including many who were hawking Kongsberg's products in Russia, are not involved in national security issues. Generally, they know little or nothing about weapons systems and probably never have been briefed on Soviet objectives in acquiring Western technology. So they only did what they were programmed to do — promote trade.

A similar condition prevailed in Japan in the same time period. Business is business and need not be complicated by national security issues. The list of controlled goods was merely a list. It need not be taken seriously where profits are involved.

Prevention

This was definitely not a question of the list being too long. This was, rather, a situation stimulated by the environment that existed in both countries. Where

governments do not lead their business community then the exigencies of the business community will lead the governments. And the result will be little or no regard for national security — only a demand for more and more trade with increasingly sensitive goods and technologies going to the Soviet Union.

One of the main tasks now facing the Government of Japan and the Government of Norway is to clean up the situation. Both are trying hard to do so.

But this is not enough. A great deal has to be done in the Western industrial community to assure that we can defend our free institutions.

We need better enforcement of the trade embargo system and more professionalism within governments on handling this issue. We need better enforcement against those who seek to divert our technology. We need common standards in effect throughout the Western industrialized world so that a crime in one country of this nature is a crime in all. Manufacturers should be ostracized and should not be allowed to continue to operate in the business community of free countries. We need to establish the idea that there is a right to trade and that right can be withdrawn if a company or an individual choose to break the law. In particular we need to bar such companies and individuals from being allowed to buy or sell any goods to the government or to any government-owned entity if they violate the trade embargo and this ban should be reciprocal within the free world.

The Soviet challenge to our security through trade diversion where, I believe, we can make substantial progress on relieving this goal.

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Soviet Air Force (Cont. from pg. 1)

It is therefore particularly interesting what lessons Col. Dubrov draws from the Bekaa debacle, for his account is the most detailed description that most Soviet Air Force personnel will ever have of this epic clash between their frontline fighters and those of their imperialist foes.

The series opens auspiciously with the traditional propaganda ("The rapacious attack of the Israeli militarists on Lebanon and the Palestinian refugee camps in June 1982 marked the attention of all progressive mankind"), but thereafter the series is comparatively free of ideological bombast.

What He Said

Col. Dubrov then emphasized the following points:

- Israel used AWACS-type aircraft, the E-2C Hawkeye and a converted Boeing 707 jammer, to provide tight radar coverage over the battle area and to direct the swarms of fighter aircraft.
- Israel's use of fighters not tied to escorting bombing aircraft, as in the Second World War, but arrayed in combat air patrols (CAP or aviatzias zashl), helped them gain air supremacy.
- Remotely piloted vehicles (RPV, or bespilnotny samolet razvedchik) played a crucial role for reconnaissance, laser target designation, decoying, and for "exhausting the opponents' air defense teams."
- Low flying Israeli fighter-bombers would then suppress these defenses with cluster bombs, precision guided weapons, and with the "Wolf" (Hebrew: Ze'ev) surface-to-surface missile with a 40 km range.

• The Israelis perfected a tactic of attacking from below and head on, using advanced AIM-7 and AIM-9 American missiles, instead of needing the traditional tail chase. This all-aspect attack (vseruknaya ataka) was a "new element in dogfighting tactics" and promised to be the wave of the future.

Col. Dubrov's account, when so cursorily summarized, might seem relatively straightforward. It is not.

What He Didn't Say

First, Col. Dubrov never hints that the radar, missile defense, and aircraft confronting the Israelis were all Soviet equipment. Instead, he concentrated entirely upon the Israeli tactics and their American weaponry. (Of four photographs run with the articles, two were Israeli RPVs; the other two were an American-made Israeli F-15 and a pair of Israeli Kfir fighters. No Soviet-made equipment is depicted.)

Second, he doesn't mention that the Soviet equipment came off second best in the ensuing air battles. That is, after all, the very reason the Bekaa episode is so relevant for us. To ignore this crucial fact is like describing the Titanic's maiden voyage without mentioning the iceberg.

Third, the Israelis' opponent — Syria — is not identified; rather, the articles imply that the battle involved the Lebanese armed forces, except for one vague reference to "combined Arab forces located on Lebanese soil in accord with an agreement" and the statement that Syrian air space wasn't violated.

Fourth, even if one presumes that somehow the above unmentioned facts were all known by the colonel's readers, it is unlikely in the secretive Soviet

society that they were aware of the lopsided score. That too is highly relevant to the conclusions we might make about the clash.

And fifth, Col. Dubrov goes to great lengths to claim there is little new in Israeli air tactics. He contends that they are basically the same as U.S. tactics in Vietnam, although that is not correct, and that air tactics today are little different from those used almost a half century ago.

All the basic theoretical and practical propositions of group maneuvering combat formulated in the period of the Second World War are well known. Each subsequent generation of fighters has added to and perfected these propositions, but the main ones remain unchanged. Searching for some sort of essentially new approaches in the way of training, in the opinion of experts, is a waste of time.

In short, Col. Dubrov is unwilling to admit the seriousness of the Syrian, and hence Russian, setback, even if this means that their military personnel might not be adequately prepared for opposition they will face in the future. Instead, he repeatedly stresses that nothing new was involved in the Bekaa episode which would necessitate changes in traditional Soviet military doctrine and tactics.

"The Russians, I believe, may identify not with the Syrian air combat strategy, but with the Israeli one."

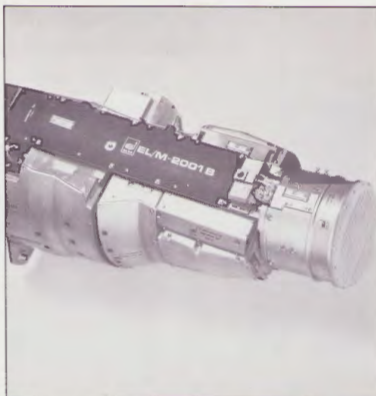
This is an extraordinarily narrow military view that does nothing to explain the humiliating Syrian losses or to suggest how to avoid such defeats in the future. It also contains a number of significantly erroneous or misleading conclusions. The question is, are these merely errors of information or interpretation, or do they reflect something much more serious?

The Rand Corporation looked into this question for the U.S. Air Force and, in an excellent September 1984 study by Benjamin S. Lenth, concluded that

Either the Soviets have failed to comprehend some of the major tactical lessons suggested by Israel's air combat results over Lebanon, or they are intentionally misrepresenting those results to their aviators for a variety of reasons that we can only guess at. Either interpretation offers ground for guarded encouragement among American fighter pilots.

A Caveat

Soviet journals, however, unlike ours, tend to be more reassuring that the leadership has matters well in hand, rather than to be gaddies in pointing out where doctrine or practice has proved wanting. After such a traumatic defeat of Soviet arms, reassurance was probably deemed preferable to shock and paralysis. Furthermore, this was only a single game by a farm club with a string of losses, and arguably not an accurate reflection of what the big leagues would do with the same footballs and helmets. Although the Soviets can often be hidebound and inclined to self-deception, it would be a mistake to conclude from Col. Dubrov's articles that the Russian military leaders were too sclerotic to learn from the mistakes of their Arab protégés. In fact, they have



Israeli equipment and tactics were discussed. Soviet equipment and tactics were not.

learned a great deal from previous clashes in the Middle East and elsewhere.

1967, 1970 and 1973

From the 1967 war they noted the benefit of the surprise Israeli wave attacks on opposing air bases, which effectively won the Six Day War in the first hour. In 1970, in the War of Attrition on the Suez, they learned (though from the Egyptians) that surface-to-air missile batteries can compensate for the lack of skilled pilots in the defense of a low-density battlefield. From the 1973 Yom Kippur War the Russians discovered, however, that these missile batteries were vulnerable to ground raids, as shown by General Ariel Sharon's daring armor thrust across the Suez.

1982

Now, look at the likely lessons of the 1982 Lebanese air war. One reason for Israel's success was its almost perfect intelligence about Syrian airfields and operations. As soon as Syrian fighters moved to a take-off position, Israeli sources reported by radio to an offshore "talk bird" the type of plane and even the tail numbers of the opposing aircraft, which could then either be intercepted or targeted by long-range air-to-air missiles. Some of the Syrian losses in "dogfights" were hit almost before they retracted their landing gear.

The Russians also have realized their "Moss" and "Mainstay" AWACS-type aircraft, implicitly regarded in the West as a defensive weapon, nevertheless may be more valuable for the offensive. And while the Israelis would have won anyway, the Russians also could not have overlooked that "little" Israel had a substantial numerical superiority over "Goliath" Syria in most of the air battles, and that out of six Arab-Israeli conflicts, this was the third which began with an Israeli surprise attack.

Implications for the West

We in the West may have misread the lessons of the Bekaa even more than

Col. Dubrov, because of a crucial but erroneous assumption: We assume that because the Arabs use Soviet-made aircraft and generally follow their rigid air defense tactics, the Arab performance is a proxy for the Soviets. On the contrary, the Russians, I believe, may identify not with the Syrian air combat strategy but with the Israeli one.

Consider which side is more likely to utilize the lessons of the Bekaa. Is the Warsaw Pact, or NATO, more likely to have covert radio observers around enemy air bases, to launch overwhelming aerial wave attacks, to hit command and communications facilities with saboteurs and Spetsnaz troops, to thrust armored units directly against forward air bases, not to mention employing numerically superior forces and utilizing a surprise attack? Remember, NATO's Central Front has less than 200 dedicated interceptors ready for immediate employment; if their bases are hit with thickened soman nerve gas and the phosphorus tar "Russian fire," by sabotage or by armor and artillery fire, how many sorties are these planes likely to make?

Even the oft-mentioned contrast between the Soviets' automation ground control system and the West's individualistic "top gun" dogfighters is now blurring. Israeli fighters were directed by flying command posts, albeit with less authority than Col. Dubrov suggests, and most of their kills were made not by cannon in swirling dogfights but by missiles at considerable range. Soviet pilots, moreover, are not all the leashed, undertrained robots which we have stereotyped them; approximately a third of each Russian fighter regiment is composed of "aerial snipers," older and more experienced pilots with flight time and skills equal to their hotshot Western counterparts.

The Syrian and Russian setback in the Bekaa is comforting, as is the Soviets' failure to admit what went wrong, but the Russians may be able to apply those lessons better than we.

NEWSBRIEFS (Cont. from pg. 1)

SURPLUS ARMS AS AID: The Administration is offering the governments of Turkey, Greece and Portugal surplus U.S. military equipment as compensation for cuts in aid funds. Congress will need to approve the plan, which includes exporting tanks, aircraft engines, patrol vessels, heavy artillery and transport vehicles. A common practice for the Soviets and the Chinese, export of surplus equipment will be a new venture for the U.S.

COST OF THE PROPELLER BLADES: According to published reports, a classified Pentagon study estimates that developing new technology to re-establish America's edge in tracking Soviet submarines will cost at least \$8 billion over the next decade. The new technology is required because a Japanese and a Norwegian firm sold the Soviets the Western technology to make very quiet propeller blades.

MIG PILOTS: Intelligence reports indicate that a total of 60 Nicaraguan pilots and mechanics have received training in the operation and maintenance of MiG-21 jet aircraft. The pilots were initially trained in Bulgaria, but have been reassigned to the Cuban air base at San Julian. Nicaragua was to have received MiG-21s in 1984, however, owing to American objections, the planes were sent to Cuba instead.

RELATED: An unconfirmed report says Managua has already taken possession of Chinese manufactured MiGs, and is holding them in a secret installation.

PLO SUBST: According to Kuwaiti sources, the PLO is negotiating with the Peoples Republic of China and East bloc countries for small submarines. The sources say the subs will attack Israeli

coastal areas and may be used for suicide raids.

RELATED?: The Peoples Republic of China has cancelled an agreement with Israel allowing Israelis to comprise 20% of tourists on organized American trips to China. PRC officials claim the announcement of the tourism agreement by an Israeli newspaper was the cause of suspending the grant of visas to Israelis.

RELATED: The PRC recently purchased Israeli medals stamped by the Israeli Government's Medals and Coins Company. The medals include those stamped for Independence Day, Jericho and Exodus.

JORDANIAN OFFICIALS IN ISRAEL: Senior-level Jordanian officials visiting the West Bank recently also went to Yafa to study the renovation of a mosque there. Several Arab countries, including Jordan, are taking part in the restoration. The officials also helped arrange the visits of Israeli Arabs to holy places in Saudi Arabia.

AND MIGS IN JORDAN?: The authoritative James Defense Weekly reports that Jordan is negotiating with the Soviet Union for the purchase of the MiG-29, codenamed Fulcrum by NATO. If the sale goes through, it will mark the first time the Jordanian Air Force has had Soviet planes in its inventory.

AND ISRAELIS IN MOSCOW?: According to Jerusalem Radio, an environmental education delegation from Israel will attend an international congress on the subject in Moscow. The congress will also be attended by representatives of Arab states.

NICARAGUAN TERROR THREATS: Nicaraguan President Ortega has announced that he may arm Puerto

Rican terrorist organizations as well as Haitians and Chileans. American counterterrorism experts point out that there is evidence that the Sandinistas have armed the Colombian M-19 terrorists who destroyed the Colombian Palace of Justice in 1985, and provided arms and training to the Americas Battalion terrorist coalition.

CHAD BOOTY FOR U.S.: According to Western diplomats in Chad, U.S. representatives were able to obtain two Soviet Mi-24 Hind helicopters left behind by Libyan troops in Chad. The Chadians themselves have captured material estimated to be worth over \$1 billion, including 132 tanks, 178 armored personnel carriers, 148 artillery pieces, 40 rocket launchers, 228 trucks and about 400 jeeps. They did it using French guns mounted on Toyota trucks.

RUSTY MARINES: A recent report indicates that only 4,400 Marine officers out of a total of 20,000 on active duty have been in combat, only 172 of those since the Vietnam War ended 12 years ago.

FROM YUGOSLAVIA, WITH LOVE:

WHAT THEY ARE SAYING

SHAYKH SA'D al-'ABDALLAH al-SABAHI, Prime Minister of Kuwait, responding to a question about why the U.S. was protecting Kuwaiti shipping in the Gulf. For the sake of cooperation between us and these states, they responded and we thank them for it, by chartering some of their oil tankers.

"As to what benefit this would be, what is the meaning of friendship and cooperation among the states of the world? When we talk about friendship it should be translated into a tangible action. And this is what has happened."

JEANE J. KIRKPATRICK, Former U.S. Ambassador to the UN and Member of JINSA's Board of Advisors: "I would have no problem if the President had asserted at the time of the Boland Amendment, 'We regard this prohibition to be unconstitutional.' Or with regard to the last extension of the requirement of prior notification of covert activities, if he had said, 'I regard this as unwise and unwarranted usurpation of Presidential authority and I will therefore not honor these requirements.'"

"He could then have sought to bring about a judicial test, as a conscious policy decision, for which the President took clear responsibility. I think that would have been appropriate, and, as a matter of fact, a very good thing to do."

BRENT SCOWCROFT, Former National Security Advisor, commenting on the Iran-Contra hearings: "One of my problems with these hearings is that they by and large have not focused on the constitutional issue. The committees are setting themselves up as an impartial judge of the executive branch instead of seeing themselves as part of the problem. They have focused on individual mistakes, not on the larger policy issues."

MOSHE ARENS, Israeli Minister Without Portfolio, "The Soviets arm Israel's most implacable enemies. Soviet military personnel have actually participated in military action against Israel. The Soviets have a hand in starting hostilities against Israel and Soviet leaders have in the past threatened Israel with nuclear attack. We have our own barom-

eter of what glasnost means, and that barometer is the situation of Soviet Jewry. If Soviet Jewry were allowed to come to Israel, 'That would be a sign of real change'."

CASPAR WEINBERGER, U.S. Secretary of Defense: "Prior to the 1983 speech of the President announcing the launching and creation of the Strategic Defense Initiative, any suggestion of defenses against Soviet missiles was actually out of bounds. There were a few scholars who wrote some obscure articles about the need for defense. One or two would point out that we did not have any defense."

"When we took a poll recently, we found that 60% of the people think we do have a defense against Soviet missiles. And we have none."

"Occasionally, an odd political figure would even have a kind word to say about civil defense or shelters. But really, there was simply no debate in America about strategic defense. There was no open dialogue about the long-term future of mutual vulnerability as a form of deterrence."

"One speech changed all that. It was probably, perhaps, one clear sentence in that speech that began our SDI program that compelled all of us to consider seriously the question of strategic defenses. Said the President, 'What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack, that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?'"

YOSSI BEILIN, Political Director General of Israel's Foreign Ministry, on the subject of alleged harassment of American Arabs entering Israel: "The U.S. demands a visa from every Israeli who arrives in the United States. We do not demand a visa for Americans who arrive in Israel. Consequently, when the Americans reach Israel, we only make those checks which the Americans themselves generally make before they grant a visa to anyone traveling to the United States."

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