PART I

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# STRATEGIC DEVELOPMENTS IN THE MIDDLE EAST

# 1. Introduction

The Middle East experienced its normal complement of instability, terrorism, war, diplomatic realignments and regime changes — peaceful and otherwise — during 1984 and 1985. There were numerous moments of high drama and several developments of noteworthy strategic significance, especially the Israeli withdrawal from Lebanon and the Iraqi campaign against Iran's economic infrastructure. But of no event could it be said that it altered the underlying character of Middle Eastern politics in some truly profound manner. One development that could have met this criterion — a breakthrough in the search for a political settlement of the Palestinian problem — seemed, on several occasions, to be possible. Familiar obstacles, however, remained intractable and the apparent possibility for change was not realized.

In the absence of any major upheavals, the containment of the Lebanese, Palestinian and Iran-Iraq conflicts continued to dominate the agenda of Middle Eastern actors and outside powers interested in the region. Growing American and Israeli disinterest reduced the likelihood that large-scale regional or international confrontations would be precipitated by events in Lebanon. At the same time, Syrian preeminence did not imply effective control of that country or an imposed solution of its political crisis; chronic instability persisted in Lebanon, producing pervasive domestic violence and periodic acts of terrorism directed at foreigners. The prospect of an Israel-Arab war also receded somewhat, due to the overall Israel-Arab military balance and the efforts of Jordan, the PLO, Israel and the United States to promote or sustain at least the appearance of diplomatic momentum. As far as the Iran-Iraq War was concerned, there were some indications that it might be moving toward an indecisive conclusion, even though the period under review was marked by escalation. Iraq's attempts to change the balance of attrition in its favor and Iran's responses resulted in serious, though intermittent, disruptions of oil traffic in the Gulf. In 1980, such disruptions would have implied a major threat to the world economy and a danger of internationalization of the war; in 1984-85, far-reaching changes in the global oil market enabled most outside actors to view these developments with relative equanimity.

A major exception to this generalization was Saudi Arabia. The Saudis had been the primary beneficiaries of the oil boom in the 1970s; they were the primary victims of declining prices and declining demand for OPEC oil that characterized the mid-1980s. In 1980, Saudi oil production peaked at over 10 million barrels per day and generated an annual revenue of over $100 billion. In 1985, production declined at one point to only 2.4 mbd and projected oil revenue was approximately $37 billion. Saudi Arabia (along with Kuwait) was also the main target of Iranian reprisals for Iraqi escalation. Prodigious defense expenditures and extensive American support enabled the Saudis to cope with the Iranian threat. The drawing down of foreign exchange reserves allowed the Saudi government to sustain fairly high spending levels. But the combination of security and economic challenges prompted the Saudis to lower their regional and international profile and revived doubts about longer-term domestic political stability in the kingdom.

Other states in the area also devoted considerable attention to domestic affairs. The July 1984 general elections in Israel resulted in a virtual tie between the two main parliamentary blocs; political paralysis could only be avoided by the formation of a government of national unity. Despite its rather unwieldy character, this government managed to end Israel's debilitating involvement in Lebanon and even to enact some of the radical measures necessary to begin the process of reviving the country's shattered economy. But because of its internal ideological contradictions, the government could not as easily depart from previous policy on issues such as relations with Egypt or a settlement of the Palestinian problem, which were just as urgent but far more divisive.

Egypt also held an election in 1984. Its most remarkable aspect was not the outcome — the government-supported National Democratic Party won 73 percent of the votes and 391 of the 448 seats in Parliament — but rather the relatively free campaign which preceded it. Elections, however, did little to dispel the sense of pervasive drift typified by economic deterioration and growing religious extremism. One indication of the radicalization of Islamic politics was the fact that the Muslim Brotherhood, for many years the most dangerous threat to secular Egyptian governments, had become the most moderate of Islamic political movements, certified to run in the elections and acceptable as a coalition partner to the liberal nationalists of the New Wafd.

Egypt's domestic problems were reflected in its foreign policy, which centered on eliminating Libyan threats and encouraging a political settlement of the Palestinian problem in order to legitimize the Egyptian-Israeli peace agreement and help restore Egypt's leading role in the Arab world. Neither of these objectives was secured but both were pursued with some measure of success. The Libyan-Moroccan unity agreement of August 1984 proved to be of no real strategic significance for Egypt. Tunisia successfully withstood Libyan subversion and economic pressures; and although several Libyan-sponsored terrorist actions were carried out, others, most notably the attempted assassination in Cairo of exiled former Libyan Prime Minister Abd al-Hamid Bakhoush, were foiled by Egyptian intelligence. Even the Sudanese coup in April 1985 that ousted President Ja'far al-Numayri, a close ally of Egypt, did not have particularly damaging consequences; initial concerns that the new Sudanese leadership might adopt a pro-Libyan orientation were mitigated by signs that the overthrow of Numayri might have been a preemptive coup against more radical elements and that no new danger to Egypt would emerge from this quarter. As far as the second objective was concerned, Egypt was unable to bring about a breakthrough on the Palestinian problem. Nevertheless, it was able to renew diplomatic relations with Jordan, to improve ties substantially with Iraq — President Mubarak was received in Baghdad in March 1985, senior Iraqi officials frequently came to Cairo and only a formal exchange of ambassadors was lacking — and to become an important patron of Yasir Arafat, while consistently reaffirming its adherence to the Camp David Agreements and the Egyptian-Israeli peace treaty.

Israeli and Egyptian domestic constraints and Egyptian regional concerns all intersected at the level of Egyptian-Israeli bilateral relations. The most visible symptoms of the strain in relations were Egyptian unwillingness to carry out full normalization (trade, tourism, the presence of a resident ambassador in Tel Aviv, etc.) and Israeli unwillingness to accede to the Egyptian demand for binding arbitration of the territorial dispute over the Taba enclave. Efforts to resolve these problems through the so-called "Taba talks" were held up by a variety of procedural or political complications, and in October 1985, the environment of Egyptian-Israeli relations was further damaged when seven Israeli tourists in Sinai were shot dead by an Egyptian policeman. Although the resumption of talks at the end of 1985 reportedly produced some

progress, it was not clear that a major, sustained improvement in Egyptian-Israeli relations could be achieved soon or, indeed, that it was at all possible without a simultaneous breakthrough in the Israeli-Jordanian-Palestinian context.

At the highest level of generalization, perhaps the most significant trend in the Middle East during 1984 and 1985 was the region's diminishing importance to the rest of the world. Reduced dependence on Middle Eastern oil meant that security of supply was no longer a major strategic problem, and prices, which in decline did not even appear to be subject to the whims of Middle Eastern rulers, implied the same about access to regional markets. The stalemate in the Gulf war and growing cynicism about the Iranian revolution meant that Islamic fundamentalism lost much of its power to shock, or even to frighten. And technology and politics had refocused the superpowers' gaze on their own bilateral strategic relationship. The issues and conflicts that absorbed Middle Eastern leaders in past years took no decisive turn in the period under review and would remain on the agenda in 1986, but it was possible that the rest of the world would view future developments with growing indifference.

# 2. Conflict in Lebanon

If a single theme can be discerned in the ongoing chaos of Lebanon during the eighteen months from early 1984 to mid-1985, it is the gradual excision of that country from regional and international politics. At the beginning of this period, the western powers in the Multinational Force despaired of any further purpose to their presence and withdrew their contingents from Beirut; by the end of the period, Israel had also effected a withdrawal that was unilateral and virtually complete. Even Syria, which by default had again become the predominant foreign influence in Lebanon, was unwilling to invest the resources and effort necessary for direct control of Lebanon and actually carried out a significant force reduction there in the wake of the Israeli withdrawal.

For those Lebanese who had tended to blame the travails of their country on outside interference, this process should have been a source of encouragement. In fact, the institutionalized enmity among the various indigenous factions obstructed progress toward stabilization and gave little reason to expect a durable improvement in Lebanon's political climate in the near future. The growing disinclination of outsiders to view Lebanon as a promising or plausible arena for strategic gains reduced the likelihood of a major confrontation in or over that country. This represented a net gain for regional stability, but it was small consolation for the Lebanese themselves or for other individuals who might be touched by the violence and anarchy that would almost certainly continue to plague that country.

The first of the foreign forces to extricate themselves from the Lebanese quagmire were the last to arrive — the United States and its European partners in the Multinational Force. The MNF had originally been formed in August 1982 to supervise the evacuation of the PLO from Beirut. After the assassination of president-elect Bashir Jumayyil and the subsequent attacks on the Sabra and Shatila refugee camps in mid-September, the MNF returned to Lebanon, this time with a broader mandate to maintain public order and assist in the rehabilitation of the authority and institutions of the central Lebanese government. But the authority of this government rarely extended beyond the city limits of Beirut, and President Amin Jumayyil's position deteriorated even more when

new outbreaks of fighting in early 1984 led to large-scale defections from the Lebanese Army and to its virtual disintegration along communitarian lines. When Shi'ite militias, with the support of the Druze-based Progressive Socialist Party, took control of West Beirut in February 1984, Prime Minister Shafiq al-Wazzan resigned. The elimination of this pretense of normalcy also removed the last rationale for continuing MNF involvement.

The "redeployment" of the Marines was ordered on February 7, and the small British contingent was withdrawn the following day. By the time the Amerian withdrawal was completed at the end of the month, the Italian contingent had also left; the French, who had already returned part of their Beirut force to UNIFIL duty in southern Lebanon, pulled out their last troops a month later. On March 30, the American warships, to which the US Marines had been redeployed, sailed away from Lebanese waters.

The departure of the Sixth Fleet marked the end of active American involvement in Lebanon. American officials had already been disillusioned by the non-implementation of the Israel-Lebanon Agreement of May 17, 1983, which had been reached through the direct mediation of Secretary of State George Shultz, and they were now inclined not to waste more resources in the futile search for a solution to Lebanon's problems. During the months that followed, the United States was requested by Israel to help secure Syrian authorization of an alternative agreement with Lebanon which Israel then believed was a necessary condition for its own withdrawal. In the fall of 1984, Assistant Secretary of State Richard Murphy made several trips to the region, which included discussions in Damascus. But the Syrians, having successfully ousted the United States from Lebanon, were not about to concede any political gain to Israel, and the Americans, for whom a settlement in Lebanon was no longer perceived as a vital national interest and whose leverage with Syria was in any event minimal, could do little to promote this, or any other outcome to the impasse in Lebanon.

Once the failure of the American effort to rehabilitate Lebanon was acknowledged in early 1984, the main US connection with Lebanon was as a victim of terrorism. During the period under review, the president of the American University of Beirut was shot to death, eight other American citizens in Lebanon were kidnapped and held hostage (one managed to escape in February 1985), the US Embassy Annex in East Beirut was bombed, and a

TWA airliner departing Athens was hijacked and held in Beirut for two weeks, during which time an American naval officer was murdered. All of these actions were attributed to radical Lebanese Shi'ite groups, but not all of them were linked either to American support for the Jumayyil government or American inability/unwillingness to bring about an Israeli withdrawal from southern Lebanon. The hostages, both those taken individually and the TWA group, were offered in return for Shi'ites held prisoner by Kuwait and Israel, whose governments were presumably subject to American influence. It was the United States' preeminence as a global power, even after its withdrawal from Lebanon, that left it exposed to the terrorism that continued to fester in and emanate from Lebanon.

Israel understood, even before the United States, that positions adopted in the summer of 1982 were not tenable; the partial pullback from the Shouf Mountains in September 1983 was the clearest indication of this. Israel, however, took longer than the United States to conclude that the only feasible alternative to these positions was complete withdrawal. Instead, the Israeli government, fully aware of Syria's adamant opposition to any political "reward" for Israeli withdrawal, continued to pursue the chimera of a new security accord even after Lebanon formally abrogated the May 17 Agreement at the beginning of March 1984. Throughout the rest of the year, Israel sought from the Lebanese government some sort of official security arrangement for the area of southern Lebanon to be evacuated by the IDF. In both the informal diplomacy and the formal talks at Naqurah that went on intermittently between November 1984 and January 1985, Israeli emphasis tended to shift between UNIFIL, the South Lebanon Army (SLA) of General Antoine Lahd and the regular Lebanese Armed Forces as prospective substitutes for the IDF. But Israeli demands to change the UNIFIL mandate, i.e., to deploy the UN force further north beyond the Litani River, were rejected, and the Lebanese government, whose own army was manifestly incapable of imposing control over southern Lebanon, refused to permit responsibility for the border strip to be assigned to the SLA, which was viewed as an Israeli surrogate. Israeli attempts to reach an agreement with the Shi'ite Amal Organization were also frustrated by Amal leader Nabih Berri's refusal to be directly associated with Israel.

Under the Likud government, Israel evinced little confidence in security arrangements that were not enshrined in some formal

agreement. But the growing gap between Israeli aspirations and Lebanese political realities, symbolized by the closing of the Israeli liaison office in Beirut at the end of July 1984, confronted decisionmakers in Jerusalem with a choice between unilateral withdrawal and the continuation of day-to-day security activity. Since the first was politically unacceptable, the second remained, by default, the focus of Israeli policy through most of 1984.

However, even the problem of security for Israeli forces in Lebanon was not satisfactorily resolved. In fact, security conditions deteriorated, particularly in the densely-settled western sector, as conflict between the IDF and the local Shi'ite population intensified. This conflict had originally stemmed from unsatisfied Shi'ite expectations of Israel, Syrian and Iranian incitement, and the inevitable friction between foreign occupiers and local inhabitants. It had gradually assumed a more violent character during 1983, and especially after the pullback from the Shouf, when efforts to stop infiltration of men and materiel through the stricter control of movement into and out of the Israeli occupation zone imposed a heavy economic burden on the predominantly Shi'ite population in that zone. Israel responded to the growing incidence of ambushes, sniping and roadside charges with more aggressive patrols, checkpoints, village searches and detention of suspects, but such measures were not sufficient to repress further acts of resistance. And since a truly draconian policy involving mass expulsions, executions and destruction of villages could not be adopted by Israel, the security measures which were implemented provoked even greater Shi'ite hostility and a continuing toll of Israeli casualties.

It was still theoretically possible for Israel to introduce massive reinforcements into southern Lebanon and to establish a pervasive control. But Israel lacked the resolve for this sort of response, which in any event could only have prolonged the Israeli presence in Lebanon without bringing about the political changes needed to produce an agreement upon which Israeli withdrawal was still made contingent.

In sum, 1984 was marked by an escalating cycle of violence and counter-violence and a growing awareness in Israel that the impasse could only be broken by unilateral action. Action was made possible by the formation in September of the government of national unity, in which the prime ministership (for the first twenty-five months) and the Defense Ministry were allocated to

the Labor Party. Labor was not committed politically to existing Israeli policy in Lebanon and had, during the electoral campaign, actually endorsed an early withdrawal. The new leadership did not act immediately for a number of reasons — Cabinet unity was fragile, economic measures had to be implemented and time was needed to build up the SLA — but it was clear that the extrication of Israel from Lebanon was one of its major priorities and Prime Minister Shimon Peres declared that Israel would be out of Lebanon within six-to-nine months.

On January 14, 1985, during a recess in the inconclusive Naqurah talks, the government approved a three-stage plan for withdrawal to the international border; the first stage, involving the western sector between the Awali and Litani rivers, began almost immediately and was completed by February. No timetable was fixed for the subsequent stages; these were to be determined by the security situation in the area. In fact, the last two stages collapsed into a continuous process of small-scale redeployments. An area of about 500 square kilometers around Nabatiyya was evacuated in the middle of April. At the end of the month, Israeli troops pulled back from Mount Barukh and the central and eastern sectors to a line just north of Hasbaya. Additional areas were abandoned throughout May, and by the third anniversary of the invasion, at the beginning of June, the last IDF units had left Lebanon and only a few hundred observation, logistics and liaison troops remained in the 10-15 kilometer wide security zone.

Ironically, it was during the withdrawal process in 1985 that both Lebanese resistance and Israeli reprisals assumed their most intense and violent proportions. The escalation of Lebanese attacks against IDF troops had a number of possible explanations, including the desire to accelerate the Israeli pullback and prevent a reversal of Israel's decision. Perhaps the most important factor, however, was the intensified intra-Lebanese competition for political preeminence in and physical control of the areas to be evacuated. Israel, for its part, implemented the so-called "heavy hand" policy of aggressive searches and arrests in order to impress upon the local Shi'ite population, and various Lebanese organizations, that impending withdrawal did not signify a collapse of Israel's determination not to tolerate a revival of terrorism from Lebanon.

This message, which was apparently understood by Shi'ite leaders, strengthened their basic interest not to permit a revival of

the pre-1982 situation. During April and May, even before the Israeli pullback into the security zone was complete, Amal spokesmen issued a number of forceful statements to the effect that Palestinians would not be allowed to operate against Israel from Lebanon or to provide Israel with an excuse to carry out its threat of a scorched earth policy, of which the Shi'ites in southern Lebanon would be the primary victims. Amal declarations were backed up by aggressive action at the end of April against PLO attempts — especially by supporters of Yasir Arafat — to reestablish a military presence in Tyre and other parts of southern Lebanon, and, at the end of May, by an all-out, bloody (and ultimately unsuccessful) attempt to take over the Palestinian camps of Sabra, Shatila and Bourj al-Barajnah in West Beirut.

Within the zone itself, Israeli troops kept a low profile and operated with greater political sophistication than in the past; the SLA, though unable to shed its image as a predominantly Christian force, became a more coherent entity which provided essential goods and services to Shi'ite and Druze villages and maintained reasonably good relations with these communities, including their local home guards. As a result, the security zone in the second half of 1985 operated much more effectively than had been anticipated before the Israeli pullback. Furthermore, Amal itself, though still committed to the elimination of the security zone and the SLA, did not pursue that goal with anything approaching the vigor of its anti-Palestinian campaign. There were frequent attacks against SLA troops in the zone, but Amal, especially after the release of the last prisoners originally transferred from the Ansar detention camp to Israeli jails during the withdrawal, appeared to be preoccupied with developments further north. Most of the suicide operations involving car- or donkey-bombs that could have produced spectacular casualties and damage were launched by adherents (often Christian) of Syrian-controlled Lebanese organizations — PPS or Ba'ath Party — and many of these were intercepted by SLA checkposts at the northern edge of the zone.

Consequently, the security zone itself enjoyed a degree of tranquility that stood in sharp contrast to the rest of Lebanon, and only two Israeli soldiers were killed after June. Furthermore, the zone provided an effective screen for northern Israel; apart from a few scattered Katyusha rounds, there was no shelling or successful infiltration and no casualties were incurred.

This relatively tolerable state of affairs was not entirely subject

to Israel's control: Amal's calculus of costs and benefits could change, thus altering the effectiveness of Israel's deterrent; Amal could lose ground to more radical elements in the South; and Syria was physically able to increase pressure on the security zone if that appeared warranted by an overall reevaluation of the Syrian-Israeli relationship of forces. But pending such charges, which did not seem imminent in late 1985, Israel had little reason to alter its policy vis-à-vis the security zone or to regret its extrication from the rest of Lebanon, and could only ponder why the same results could not have been achieved earlier.

American and Israeli decisions to withdraw from Lebanese politics constituted major gains for Syrian policy in Lebanon. The abrogation of the May 17 Agreement certified Syrian political supremacy in Lebanon and the Israeli pullback during the first half of 1985 eliminated any possible immediate military threat to Syria's western flank. But Syrian predominance in Lebanon did not mean uncontested hegemony, and the transition from the role of spoiler pursuing denial goals to the role of initiator pursuing milieu goals was not an easy one for Syria.

Leaving aside the question of ultimate Syrian aspirations vis-à-vis a separate Lebanese entity, the foremost of these milieu goals was the reestablishment of some minimal degree of stability in Lebanon. Continuing chaos following Israel's withdrawal would undermine, ipso facto, the reputation for power that Syria so assiduously cultivated in order to promote broader regional goals. Perhaps more importantly, it might permit the revitalization of Palestinian power or the emergence of radical Muslim power that could drag Syria into a new confrontation with Israel in circumstances not of Syria's choosing, or contribute to a new outbreak of sectarian violence inside Syria itself.

The most straightforward way of achieving this stability would have been through the application of Syrian military force. The Syrian army was in direct control of the Biqa' and northern Lebanon — comprising about 50 percent of Lebanese territory — but it was reluctant to move beyond the lines held in August 1982 either because of concern over possible Israeli reactions, especially in the south, or because it was deterred by the anticipated cost of direct military repression of resistance. Even in the area already under their control, the Syrians, relieved of the immediate Israeli threat, were more interested in reducing their military presence than in augmenting it; in the second half of 1985, Syrian troop

strength in Lebanon was cut by about 30,000.

The theoretical alternative to direct military control was the de jure partition of Lebanon into sectarian mini-states. Partition might have eliminated one of the main sources of Lebanese instability — the perpetual communitarian conflict for increased autonomy from/control over the institutions of the central government — while enabling Syria to dominate the successor entities. However, there was no great enthusiasm on the part of most of the Lebanese factions themselves to transform the de facto reality of partition into an irreversible legal settlement. The Syrians, moreover, were unreservedly opposed to partition, partly because they could not be sure that some of the post-partition entities might not align themselves with Israel, but mostly because partition along sectarian lines would serve as a very dangerous precedent for Syria itself, which was also exposed to conflict among the various religio-ethnic communities within its boundaries.

If the options of massive military presence and partition were excluded, Syria was perforce reduced to attempts to manage the situation through indirect involvement and remote control, i.e., through the use of proxies. There is little doubt that the preferred proxy from Syria's point-of-view would have been a reconstituted central Lebanese government strong enough to impose its authority throughout the country but not strong enough to ignore Syrian demands. This preference was reflected in the initial Syrian endorsement of expanded presidential power after Amin Jumayyil had despaired of his American connection, made a symbolic journey to Damascus in March 1984 and, by abrogating the May 17 agreement, signified his submission to Syrian hegemony. Subsequent Syrian support for Jumayyil against his competitors in the Christian camp and his detractors — especially Druze leader Walid Jumblatt — among other groups ostensibly aligned with Damascus meant that Syria had, in a sense, taken over the American role of attempting to reconstruct an authoritative central Lebanese government.

Syria, like the United States before it, realized that the political rehabilitation of Lebanon required some basic constitutional reforms, including a redistribution of governmental spoils among the various Lebanese sects. Syria was intensely involved in Lebanese national reconciliation efforts, beginning with the Lausanne Conference held in March 1984 at Syrian instigation. But

yrian encouragement alone was insufficient to bring about the icquiescence of those groups, particularly the Maronite Christians and, to a lesser extent, the Sunnis, who would be adversely affected by a change in the rules of Lebanese sectarian politics.

The Lausanne talks, for example, broke up after eight days because of objections by Sulayman Franjiah, ironically the Maronite strongman most closely identified with Syria, to the reduced Maronite role implied by proposals for government reform. And in late 1985, a Syrian-brokered agreement between the heads of Amal, the Druze Progressive Socialist Party and the Lebanese Forces was held up for several months because of objections by Sunni and Phalange Party leaders, as well as by President Jumayyil himself (the accord was eventually signed in December, though its viability was open to serious question).

The effort to produce a new political order was not without transitory moments of hope: following a second visit by Amin Jumayyil to Damascus in mid-April 1984, a new government of national unity was created, under Prime Minister Rashid Karami, which included both Nabih Berri and Walid Jumblatt. After Karami's Cabinet was voted emergency powers and a security plan for Beirut was approved by Parliament, the Lebanese Army (actually, the Shi'ite 6th Brigade) reentered West Beirut. By the end of July, the "Green Line" separating East and West Beirut had been partially dismantled and Beirut's airport and seaport were reopened.

Ultimately, however, sectarian rivalries could not be contained. In the last week of August, serious battles broke out between Sunni and Alawite militias in Tripoli; Druze and Christian forces clashed in the Kharroub region north of the Awali in early September; and Shi'ite Amal attacked Palestinian refugee camps in Beirut in October. After the first stage of the Israeli pullback, communitarian (including intra-Shi'ite) tensions were heightened by a provocative demonstration in Sidon by Hizballah radicals. Druze troops engaged the Lebanese Forces in a series of battles east of Sidon that resulted in the evacuation of several Christian villages and the flight of the population into Jezzine. The expansion of the Druze stronghold in the Shouf westward through the Kharroub to the sea and southward in the Sidon-Jezzine corridor also meant that the three main Shi'ite concentrations — West Beirut, southern Lebanon and the Biqa' — remained physically separated; this contributed to Shi'ite-Druze conflict, which was manifested in

Druze support for the Palestinians resisting the Amal onslaught during the so-called "war of the camps" in May-June of 1985 and in intermittent Shi'ite attempts afterwards to disarm Druze elements in West Beirut. The Amal attack on the Palestinians was preceded in April by a Shi'ite offensive against the Sunni Murabitoun in Beirut, and followed in the fall by a bloody attempt by the Alawite militia to suppress the Sunni Islamic Unification Movement and the PLO fighters loyal to Arafat who had reestablished themselves in Tripoli.

Syria was unable to impose a constitutional reform or repress the conflicts that perpetuated the powerlessness of the central government for the same reason that it was unable to assert direct control over Lebanon — the unwillingness to apply the requisite military force. Several of the security plans for Beirut that were first worked out, and then inevitably disregarded during 1984 and 1985, called for Syrian ceasefire supervision: after the "war of the camps," Syria did post twenty-five observers to Beirut. But apart from this symbolic commitment, Syria consistently refused to initiate, or even to respond to Lebanese invitations to make what Vice President Abd al-Halim Khaddam significantly called "new sacrifices" to restore security in Lebanon.

It is possible that domestic political uncertainty inside Syria contributed to this reluctance to act forcefully, especially right after the American withdrawal and the decision of Amin Jumayyil to turn to the "Syrian option." President Hafiz al-Assad's heart-attack at the end of 1983 touched off a premature struggle for succession involving the president's brother Rifa'at, Chief of Military Intelligence Ali Duba, Commander of the Third Division Shafiq al-Fayyad, and Commander of Special Forces Ali Haydar. This struggle produced severe friction in Damascus throughout the spring of 1984, involving a government reshuffle, arrests of army officers, and shooting in the streets, and it culminated, after the president's recovery, in the temporary exile of the contestants for power — Rifa'at for six months, the others for a shorter period of time. Even after the crisis was temporarily resolved, there remained an atmosphere of tense expectation, and internal divisions may have inhibited the large-scale use of military force in Lebanon.

But whatever the reason, the reluctance to exercise a military option meant that there was no serious Syrian threat with which to implement the constitutional adjustment which had been agreed

upon, in principle, during the negotiations associated with the formation of the national unity government. As a result, endemic inter-communal hostility again prevailed and ended any immediate hopes for the creation of a viable central government.

Syria was therefore reduced to the distinctly inferior alternative of exploiting instability rather than ending it, that is, of managing the balance of weakness in Lebanon. For a time, the elimination of competing poles of influence — American or Israeli — made at least this option appear feasible. Different Lebanese factions followed one another to Damascus (or Shaturah in the Syrian-controlled Biqa') to consult with Syrian leaders, request their mediation and seek their benevolence. However, Syrian indecisiveness, dictated by Assad's own risk-opportunity calculus, progressively weakened Syria's credibility, both as a threat and as a protector. The complexity of Lebanese factions and the fluidity of their alliances made it impossible for Syria to maintain control over events or reap durable benefits from the situation created by American and Israeli withdrawals. Actions by Syrian-supported militias in Beirut (Amal) and Tripoli (Alawites) alienated Sunnis in both cities. The Syrian-supported Amal assault on Palestinian camps further inflamed Palestinian resentment of Assad (without forestalling the reemergence of PLO elements loyal to Yasir Arafat, especially in Sidon), while the support given to the PLO by forces ostensibly aligned with Syria (Jumblatt) or subordinate to it (Abu Musa) raised suspicions of Syrian double-dealing in the minds of Amal leaders. The Druze offensive after Israel's withdrawal produced a flight of Christian refugees from Sidon and the Kharroub and made Syrian assurances seem worthless, thereby forcing other Christians in the south to rely on SLA and, by extension, Israeli protection.

In short, Syria's policy of indirect conflict management did achieve some denial goals, especially the prevention of de jure partition or a massive new presence by PLO forces loyal to Yasir Arafat. But it did little to promote political reform and the reestablishment of stability in Lebanon. Syria's failure to gain its major milieu goal — hegemony through either direct control or a subservient central Lebanese government — stemmed from its unwillingness to apply the resources necessary to overcome possible resistance. This, in turn, was a function of the strategic value of hegemony in Lebanon relative to costs and risks inherent in trying to achieve that goal. Syria's calculus, in the aftermath of

Israel's withdrawal, seemed to imply that Lebanon might be less of a threat to regional stability. But it did not augur well for the Lebanese themselves.

# 3. PLO-Jordanian Relations and the Peace Process

At the end of 1983, the PLO was in total disarray. Its unity had been shattered by a revolt in the ranks of Fatah and the open division of the PLO into three rival camps; its independence was threatened by a determined Syrian effort to subjugate those elements still resisting direct control; and its relevance to the entire Arab-Israeli conflict was placed in doubt by its expulsion from Lebanon and dispersal to distant Arab lands, and by Jordan's apparent intention to reclaim an active role in the resolution of the Palestinian problem. These circumstances left Yasir Arafat with no realistic alternative but to effect a reconciliation with King Hussein of Jordan, the substantive core of which was the advancement of a political settlement with Israel. Cooperation with Hussein would enable Arafat to ward off Syrian threats to the PLO's independence, forestall the possibility — however remote — of a unilateral Jordanian démarche and restore his centrality to ongoing events. However, the desire to maintain whatever unity remained within the pro-Arafat camp of the PLO and to preserve the hope of reconciliation with some other factions, together with his own reservations and the fear that the PLO's role in a post-settlement environment might be altogether marginal, prevented Arafat from making all of the concessions necessary to permit any real diplomatic breakthrough. As a result, the period 1984-1985 was marked by a great deal of motion but far less movement, and the prospects for further progress remained questionable.

1984 began with a series of Jordanian measures that seemed to presage a more active search by Hussein for a resolution of the status of the West Bank. On January 9, the National Assembly was convened, for the first time since its suspension in 1977, and the selection of deputies to fill vacant West Bank seats was authorized. The next day, a new government was constituted with increased Palestinian representation — 9 of 20 ministers. On January 16, Hussein addressed the Parliament and called for cooperation between Jordan and a "legitimate and free PLO" in the search for a political settlement. In the months that followed, Jordanian involvement in the quasi-political institutions of the West Bank — chambers of commerce, charitable societies, etc. —

was stepped up and several delegations of West Bank notables visited the East Bank to urge Hussein (and Arafat) to pursue a negotiated settlement.

Jordanian activism was dictated by a number of considerations, including the desire to cultivate American goodwill in order to facilitate a major arms sale. However, the dominant factor was almost certainly apprehension that the perpetuation of the status quo, given a general economic downturn in the region and the demographic implications of Likud-sponsored settlement policies in the West Bank, would stimulate Palestinian and/or Islamic radicalism and ultimately destabilize the Hashemite monarchy on the East Bank. Hussein repeatedly insisted that he would only proceed together with the PLO — that there was no separate "Jordanian option" — and he continued in his efforts to persuade Arafat to endorse a joint Jordanian-PLO political program. Nevertheless, Hussein's impatience with PLO procrastination was an open secret, at least since Arafat had backed out of a previous plan for joint action agreed upon in April 1983. Jordanian actions were interpreted as an attempt to exploit the PLO's weakened condition in order to supplant it as the Arab interlocutor in any settlement of the Arab-Israel conflict; the reconvening of the Parliament, for example, was attacked, not only by Arafat's opponents in the PLO, but also by his own deputy, Abu Iyad.

Arafat responded by simultaneously pursuing several objectives. The first was to salvage the PLO's most important asset — the ability to veto any major political development that did not meet its minimal institutional needs. This he did by resuming the dialogue with Hussein. Since Arafat could not completely avert the Jordanian embrace, he engaged Hussein in a new series of discussions intended to ensure that the PLO, in exchange for its legitimation of Jordanian involvement in the Palestinian problem (a formalistic derogation from the PLO's status as "sole, legitimate spokesman" conferred by the Rabat Arab summit conference in 1974), would at least be ensured a renewed presence in Jordan (i.e., physical proximity to Israel), an equal role in any negotiations and a definition of substantive parameters that would provide for some sort of Palestinian political entity. During the spring and summer of 1984, Arafat's bargaining position did not enable him to avoid certain concessions on the principles of a peaceful settlement and a post-settlement confederal relationship with Jordan, but he did resist pressures to accept UN Resolution 242 or the

Reagan Plan or to waive demands for an independent Palestinian state.

At the same time, Arafat also attempted to restore the PLO's shattered unity. In the aftermath of the 1983 Fatah rebellion, the PLO had openly split into three main blocs. The Fatah loyalists, joined by the Iraqi-controlled Arab Liberation Front (ALF) and the Mahmud Zaidan (Abul Abbas) faction of the Palestine Liberation Front (PLF), endorsed Arafat's diplomatic maneuvering and the rapprochement with Jordan. The National Alliance, consisting of the Fatah rebels (Abu Musa), Sa'iqa, the Popular Front — General Command (Ahmad Jibril) and the Palestine Popular Struggle Front (Samir Ghusha), was essentially a Syrian surrogate advocating uncompromising pursuit of maximal goals through "armed struggle." And the Democratic Alliance, made up of the PFLP (Habash), the DFLP (Hawatmeh), the Palestine Communist Party (PCP) and the Abd al-Fatah Ghanem splinter of the PLF, opposed the Arafat-Hussein alignment but expressed concern for the independence and unity of the PLO and attempted to mediate between the other two blocs (and Syria). The Democratic Alliance was also concerned about the structure and decisionmaking processes of the PLO; Arafat, eager for any sort of reconciliation, felt that some concessions on these issues might provide a useful vehicle.

Following preliminary discussions in Aden, Fatah and the Democratic Alliance signed a unity agreement in Algiers on July 13. In return for an endorsement of the principle of collective decisionmaking and a reaffirmation of his commitment not to do what he never had any intention of doing — accepting Camp David, autonomy or the Reagan Plan — Arafat secured some greater semblance of PLO unity. This was of some marginal value in improving Arafat's inter-Arab and international stature, but no agreement could paper over a basic difference concerning the advisability or necessity of joint action with Jordan. Nor could demonstrations that Arafat had not abandoned armed struggle, even through such spectacular methods as the attempts to infiltrate terrorist squads into Israel by sea, placate the Syrians or their "ultra" surrogates in the National Alliance; their conflict with Arafat was not only about methods, but also, and more fundamentally, about goals.

Over the summer, Arafat therefore was increasingly preoccupied with the need to secure a broad-based Palestinian endorsement of his approach, to effect a reconciliation with those who

could conceivably be reconciled and to discredit those who could not. In practice, this meant convening the long-delayed Palestine National Council (PNC). The PNC, which was constitutionally obliged to meet annually, had held its 16th session in Algiers in February 1983. The 17th session had already been postponed, first because of the upheavals within the PLO, and then because of the difficulty of finding a venue. Egypt was disqualified due to its peace treaty with Israel; most other Arab states, including Algeria, were unwilling to become embroiled in intra-PLO disputes or to incur the hostility of Syria.

This issue took on added urgency in September, after the formation of the government of national unity in Israel. The Labor Party of Prime Minister Shimon Peres had consistently advocated a "Jordanian option," that is, the pursuit of a bilateral settlement with Jordan based on territorial compromise. Despite Hussein's October 1 address to Parliament, in which he once again rejected direct talks with Israel, Palestinian suspicions of a separate Jordanian-Israeli agreement were fueled by Peres' rise to power, and by the renewal of diplomatic relations between Jordan and Egypt on September 25. Moreover, Peres' approval of suggestions to improve the "quality of life" in the West Bank and Gaza, though specifically confined to such prosaic matters as municipal administration, financial and economic affairs and bureaucratic procedures, nevertheless revived traditional PLO suspicions that Israel might cultivate an alternative Palestinian leadership from within the territories themselves.

The obstacles to convening the PNC were so formidable that frustrated Palestinian spokesmen at one point threatened to do so aboard some ship in the middle of the Mediterranean. In the end, however, the decision was taken to accept Hussein's invitation and meet in Amman on November 22. Despite the ongoing consultations with Jordan and previous affirmations by PLO institutions of the "special and distinctive relations linking the Palestinian and Jordanian peoples," the idea of a PNC meeting in Amman, under the watchful eyes of Jordanian security personnel, was of peculiar symbolic significance to PLO leaders, for many of whom the memory of Black September was still fresh in their minds.

By most accounts, the PNC was a success for both Hussein and Arafat. For Hussein, the very fact of the PNC's meeting in Amman signified his ability to defy Syria and his centrality to any future developments. For Arafat, the convocation of the Council was also

an organizational success. His own leadership was confirmed through the device of a dramatic resignation and subsequent acquiescence, reminiscent of Abd al-Nasir's behavior in June 1967, to demonstrative demands that he retract. The most recalcitrant of his opponents, such as Ahmad Jibril, were expelled from the PLO; the boycott by the Democratic Alliance was attributed to Syrian pressure, and the desire for a reconciliation with its factions was shown by "freezing" their membership and leaving vacant the three seats they had previously held on the Executive Committee. For both men, substantive resolutions effectively ratified their previous contacts and authorized them to continue — Arafat in the pursuit of his "Jordanian option," Hussein in his attempt to coopt the PLO. Hussein's opening address to the Council had contained proposals for a joint initiative by Jordan and the PLO, based on the latter's acceptance of UN Resolution 242. The PNC reaffirmed its longstanding rejection of 242, and of Camp David, the autonomy plans and the Reagan Plan. However, it did empower the Executive Committee to continue its coordination with Jordan in accordance with the 16th PNC session, which foresaw an eventual confederation between Jordan and an independent Palestine, and it endorsed the idea that a solution to the Palestine question could be achieved in the framework of an international conference.

These organizational and substantive gains did not mean that all impediments to further progress had been overcome. PLO dissidents expressed their opposition by immediately launching a series of terrorist attacks against Jordanian and pro-Arafat PLO officials; the most prominent victim was the deported mayor of Hebron and Executive Committee member Fahd Kawasmeh, shot to death in Amman on December 29. Furthermore, the identification by the PNC of issues which the PLO and Jordan could explore further did not mean that complete agreement on these issues was readily attainable, or that conflicting interests and mutual suspicions between the PLO and Jordan had been eliminated.

The extent of these conflicts and suspicions was revealed after Hussein and Arafat signed a five-point "Framework for Common Action" on February 11, 1985 (see Appendix). This Framework, which was presumed to be virtually identical to the abortive agreement of April 1983, did not include an explicit PLO acceptance of Resolution 242, as requested by Hussein, once again, on January 27. But it did cite UN resolutions, "including the Security

Council resolutions," as the basis for its endorsement of the principle of land in exchange for peace. It also reaffirmed the Palestinian people's right to self-determination but added that this would be exercised within the framework of a confederal Arab union to be established between the two states of Jordan and Palestine. Finally, the agreement called for peace negotiations within the framework of an international conference in which the PLO was to participate as part of a joint Jordanian-Palestinian delegation.

The Hussein-Arafat agreement was the culmination of a process begun in early 1983 and the hallmark of a partnership dictated by the immediate needs of both sides — of Hussein, for Palestinian legitimation of moves toward a peaceful settlement of the conflict; of Arafat, for organizational rehabilitation and the reestablishment of a presence near the territorial focus of the conflict. Behind the agreement lay a barely-submerged power conflict over the relative importance of the two parties in any process that might unfold and in any political institutions that might emerge from the process. Despite the care and effort with which the agreement was drafted, this conflict was reflected in the differing interpretations given to it. The most problematic issues were those of Palestinian representation in any negotiations, the ultimate nature of the proposed Jordanian-Palestinian confederation and, to a lesser extent, the character — an international conference — of the negotiating mechanism.

These issues were problematic, at least in part, because of the positions of the other main parties, Israel and the United States. Both objected to PLO involvement in the process, Israel unequivocally, the United States at least until the PLO had explicitly accepted Resolutions 242 and 338, recognized Israel's right to exist and abandoned terrorism. Both also ruled out the possibility of an independent Palestinian state. And both had serious reservations about the type of negotiating forum called for in the Hussein-Arafat agreement — "an international conference to be attended by the five permanent members of the UN Security Council and all parties to the conflict" — Israel, because it believed that such a forum would prevent direct negotiations, would become captive to the most intransigent participant, stood no chance of success and would turn into a tribunal with Israel in the dock; the United States, for the same reasons, but also because it was reluctant, given the overall context of US-Soviet relations, to

facilitate the revival of active Soviet involvement in the region.

Hussein was aware of the need to secure Israeli and American cooperation if any progress was to be made. But he also had his own intrinsic reasons for circumscribing the PLO's role as much as possible and guaranteeing that the political entity to be created on the West Bank be subordinated to his own ultimate control, just as the PLO had every interest in resisting these outcomes. Consequently, both sides immediately acted to ensure that their interpretation of these issues would prevail.

Arafat's need to secure a favorable interpretation was especially urgent because the signing of the Framework had further antagonized the Palestinian opposition. Suspicion that the agreement signified a veiled acceptance of the Reagan Plan led the PFLP and the PLF splinter of Abd al-Fatah Ghanem to join with the National Alliance in a new National Salvation Front. Moreover, there were indications of continuing dissent even within the ranks of Fatah itself; the head of the PLO Political Department, Faruq al-Qaddumi, felt obliged to reiterate — perhaps for Arafat's benefit — that no one but the PLO was authorized to represent the Palestinians. He also emphasized that the proposed confederation, despite the omission of the word "independent" in the document, would come into being only after the establishment of the independent Palestinian state. At the beginning of March, PLO leaders went to Amman in a vain attempt to insert these clarifications into an amended version of the agreement.

At the same time, they launched a new wave of terrorist actions inside Israel and the West Bank, presumably with the aim of reminding all concerned that the PLO could not yet be ignored. Arafat also made a determined effort to revitalize his operational base in Lebanon in order to reduce his dependence on Hussein. This effort was temporarily set back by the Amal assault on the Sabra, Shatila and Bourj al-Barajnah camps in May, but the reorganization and rearmament there continued.

Hussein, for his part, stepped up the pressures on Arafat to conform to the Jordanian view of what was necessary. Continuing consultation with Egypt produced a declaration by President Mubarak at the end of February that interpreted the February 11 agreement as PLO endorsement of Resolution 242, proposed direct negotiations with Israel before the convening of an international conference and, most importantly, implied that some of the Palestinians on the joint delegation need not be PLO members.

Pro-Jordanian dignitaries from the West Bank were periodically summoned to Amman to add weight to the Jordanian arguments in the ongoing dialogue and Jordanian officials issued statements, whether out of sincere conviction or as instruments of psychological warfare, indicating that Jordanian preferences had already prevailed. In one such instance, the (Palestinian) foreign minister, Tahir al-Masri, announced on March 18 that the PLO had waived its demand for an independent Palestinian state.

The Jordanian campaign to promote the peace process by fitting the PLO into a more congenial mold reached a peak during Hussein's visit to the United States at the end of May. In various meetings with President Reagan, other top US officials and congressional leaders and in his public statements; Hussein anounced that Jordan *and* the PLO were willing to negotiate a peace settlement based on Resolutions 242 and 338, and that this announcement was the result of his recent talks with the PLO. He also elaborated on the meaning of confederation, explaining that Palestinian self-determination would be exercised in the West Bank and Gaza Strip even though all responsibility for foreign affairs and defense would be reserved to the central Jordanian government and that this arrangement — "statehood" in the domestic American sense rather than in conventional international usage — was agreed to by Arafat. These interpretations were disputed by Arafat's deputy, Salah Khalaf, but Arafat himself, contrary to previous practice, did not immediately deny them. This, together with Hussein's continuing reassurances, was enough to elicit more active American involvement in the search for a formula acceptable to all sides.

Much of the summer and early fall was taken up with consultation and speculation over the structure and sequencing of the negotiations and the composition of the Jordanian-Palestinian delegation. With respect to the first issue, efforts were made to find an alternative to the UN-sponsored international conference called for in the February 11 agreement. Both Arafat and Hussein's insistence on a multilateral framework stemmed from their vulnerability to accusations of pursuing a separate peace with Israel, and perhaps also from the desire to secure a counterweight to what they perceived as the pro-Israel stance of the United States. Israel and the United States, deeply skeptical of the usefulness of such a forum, attempted to meet Arab concerns by proposing vague alternatives, such as an international "umbrella"

or "accompaniment," the primary function of which would be to provide symbolic international auspices in order to boost the confidence of the Arab interlocutors and then, at a final stage, to ratify the results of direct negotiations between the parties. Israel also withdrew its objection to Soviet participation provided that the Soviet Union improve the treatment of Soviet Jews, ease Jewish emigration and renew diplomatic relations with Israel. These moves suggested that some conference-type arrangement might eventually be possible, but since Arafat continued to avoid a commitment to direct, bilateral negotiations with Israel as a distinct and separate element of any larger international forum, this procedural obstacle was not overcome.

With respect to the second issue, attention was focused on the effort to convince Hussein to convince Arafat to authorize the appointment of Palestinians acceptable to Israel and the United States. Since both objected to the participation of PLO members, and Israel objected to the participation even of Palestinians indirectly associated with the PLO through their membership in the PNC, this effort essentially involved a demand that the PLO agree to take itself out of the process. American diplomacy produced an exercise in constructive obfuscation, in the form of a "mixed" list presented in July, but of the seven proposed delegates, only the two (one from East Jerusalem and one from Gaza) who had no affiliation with the PLO were approved by Peres. Since capitulation to the Israeli demand that the PLO waive any role in the process was tantamount to institutional suicide, progress on the issue of a Palestinian alternative to the PLO was stalemated.

In an attempt to finesse this problem, Jordan proposed a preliminary round of discussions between American Assistant Secretary of State Richard Murphy and a joint Jordanian-(non-PLO) Palestinian delegation. In this scenario, the initial round would produce an American acknowledgment of the Palestinian right to self-determination, after which the PLO would be able to accept Resolution 242 and declare its readiness to enter direct negotiations. But the Americans were unwilling to proceed without a prior commitment to direct negotiations, which was not forthcoming. Nor did the PLO act in other ways to make itself a more acceptable negotiating partner. An upsurge of terrorism in the territories under Israeli control — facilitated by the opening of PLO offices in Amman — as well as against Israeli citizens abroad (in Cyprus and Spain), produced no improvement in the PLO's

overall strategic position. Instead, it simply hardened Israeli determination to exclude the PLO from the entire process while increasing sympathy elsewhere for Israel's arguments. In October, both Hussein and Mubarak were severely embarrassed by the hijacking, by a PLO faction close to Arafat, of an Italian cruise ship in Alexandria, in the course of which an American Jewish passenger was murdered and which ended with the interception by US Navy fighter planes of an Egyptian aircraft carrying the hijackers away from Egypt. In the same month, the planned visit to London of PLO Executive Committee members Muhammad Milhem and Ilya Khouri turned into a political fiasco when they refused, at the last minute, to issue a previously agreed statement explicitly recognizing Israel's right to a secure existence within the pre-1967 borders. The official visit, which could have improved the PLO's image and laid the ground for subsequent contacts between the United States and the PLO, was instead canceled after the invitation was withdrawn by the British foreign minister.

By late 1985, Arafat's unwillingness to make the explicit, unqualified statements required of him and the PLO's continuing resort to unproductive or counterproductive terrorism had left the peace process stalled. Signs of growing Jordanian impatience with Arafat gave rise to speculation in Israel that Hussein and Peres might indeed be exploring other alternatives, centered on a revival of autonomy ideas within the framework of a joint Israeli-Jordanian condominium. In fact, there was no public evidence to indicate that such a development was imminent. Instead, Hussein moved in September to improve relations with Syria.

Aside from the desire to please Saudi Arabia, the interest of both Jordan and Syria in a rapprochement was subject to considerable uncertainty. Such a move might strengthen Hussein's ability to maneuver by gaining Syrian acquiescence in the search for a political settlement (provided that Syrian interests were taken into account), while pressuring the United States to be more forthcoming on arms sales, the modalities of the peace process, or both. It would also serve to signal Arafat that if continued PLO intransigence condemned Jordan to a confrontational relationship with Israel, then Jordan could find more powerful partners for that confrontation. And in the event that the search for peace proved futile and the government rotation in Israel was carried out, the securing of Jordan's northern flank would permit Hussein to face the new situation with greater confidence.

For Syria, one immediate benefit was a Jordanian commitment to curb the activities of anti-Assad Islamic fundamentalists (there were reports that Hussein had become concerned about the fundamentalist threat to stability in his own country). At the level of regional politics, reconciliation probably reflected the relative weakening of Syria's position in recent months. The Soviet Union had not provided unstinting support for Syrian aims in Lebanon — the siege of Tripoli by Syrian-backed militias had to be abandoned after the kidnapping of four Soviet diplomats in Beirut — and the Soviets may even have encouraged Syria to moderate its opposition to the peace process. According to some reports, Syrian-Iranian relations were also strained by Iran's support of Islamic fundamentalists under attack by Syrian-supported militias in Tripoli and by Syria's failure to repay debts owed to Iran. Moreover, the Iraqi bombing of Kharg Island had reduced Iranian oil shipments to Syria, placing an additional burden on Syria's hard-pressed economy. In view of his isolation and his difficulties in Lebanon, Assad may have concluded that he could not completely abort the Arab-Israeli peace process and that he should therefore focus, at the very least, on displacing Arafat, preventing a separate Jordanian-Israeli agreement and ensuring the inclusion of Syria (and the Soviet Union) in the process and the Golan Heights issue on the agenda.

The full dimensions of the Jordanian-Syrian rapprochement were not yet clear at the end of 1985. What had been revealed, however, implied that the search for peace would become even more complicated. Both parties had committed themselves not to accept a partial or separate agreement with Israel but only to pursue together a comprehensive peace, based on total Israeli withdrawal from all territories occupied in 1967, and to do so only through the mechanism of an active international conference involving all five permanent members of the UN Security Council. Hussein thereby weakened Arafat's power to obstruct, but only at the cost of tying himself to a Syrian effort to impose procedures and terms that were rejected by Israel. This did not necessarily preclude any further development but it did render that prospect exceedingly remote. Moreover, the references to Syrian-Jordanian cooperation in the military sphere suggested that if the political process did not result in a settlement, the alternative might not be stalemate, but war.

# 4. The Iran-Iraq War

Following the expulsion of the Iraqi Army from Iran in the summer of 1982, the Iran-Iraq war was prosecuted at two levels: as a conventional military conflict along a frontline roughly congruent with the prewar boundary, and as a struggle of national attrition. In the ground war, Iran retained the initiative and compelled Iraq to mobilize huge forces in order to cover the entire length of the frontier. But Iraqi superiority in equipment, firepower and battle management meant that Iranian attacks were inevitably indecisive: territorial gains were insignificant, Iraqi lines were either not breached or quickly restored and Iranian casualties continued to mount. Throughout 1983, however, the attrition balance appeared to favor Iran; economic and political developments in Iraq suggested that Iranian expectations of ultimate victory through attrition were not grounded merely in wishful thinking.

In 1984 and 1985, the military struggle essentially continued along previous lines; only three substantial Iranian operations were mounted and only the last of these came close to producing a major breakthrough. On the attrition front, however, Iraq inflicted serious economic damage and rear area civilian casualties on Iran; these led to some signs of war weariness and raised, for the first time, the possibility that the war might be terminated without a clearcut Iranian victory.

The first of the Iranian military offensives in the period under review was Operation *Kheibar*, which took place in February 1984. This was a major offensive along a 100-kilometer front north of Basra. Like previous Iranian efforts in this sector, it apparently aimed at cutting off Basra and other parts of the Shi'ite-populated south from the center of the country, presumably in the hope that a major success would break the morale of the Iraqi Army, set off a political upheaval leading to the collapse of the regime in Baghdad and position Iran to mount a direct political and/or military threat against Kuwait. In the first stage of the operation, the Iranians managed to infiltrate troops through marshy terrain and they did capture Majnoon Island, a man-made structure in the oil fields on the Iraqi side of the frontier. Nevertheless, Iraqi defense lines and communications remained intact, Iranian troops paid an extremely high price for their limited gain, and an Iraqi counterattack even

succeeded in regaining part of the lost ground.

The second offensive took place in October. In this instance, the Iranians attacked in the central sector north of Mehran and recaptured the Meimak heights, a small salient on the Iranian side of the frontier which Iraq had not evacuated during the general withdrawal from Iranian territory in the spring and summer of 1982. Five Iraqi counterattacks were repulsed with heavy losses. Nevertheless, Iran could not exploit this success in order to launch a large-scale drive toward Baghdad, which lay due west from Meimak across an open plain.

The reasons for Iran's inability to push onward were essentially those that explained the most prominent military nonevent of 1984 — Iran's much-heralded and long-awaited "final offensive." From June on, there were frequent reports of formidable Iranian troop concentrations, especially on the southern front. When figures were mentioned, they ranged between 300,000 and 500,000. The mission of these forces was to launch a massive invasion, usually described as "imminent," which would overwhelm Iraqi defenses by sheer numbers and bring the war to a decisive end. These reports undoubtedly aggravated the material and psychological burden on Iraq. Indeed, they played a central element in Iran's campaign of psychological warfare. But as the year progressed and the offensive failed to materialize, there was a growing appreciation of the serious problems with which Iranian military planners had to contend. Not only had Iraq undertaken a very impressive program of rearmament and force buildup; Iran's own force structure was seriously flawed, largely due to the peculiarities of the political leadership.

The Iranian regime's refusal to cultivate the goodwill of either superpower meant that it could not acquire additional modern, high-quality weapons systems or, in some cases, even replace battlefield losses. Furthermore, the assets that did exist were not allocated solely to the regular army. If anything, it was the Pasdaran (revolutionary guards) that were favored by the regime, presumably on grounds of political reliability. The Pasdaran demonstrated a remarkable degree of revolutionary zeal and a willingness to incur fearful casualties; morale remained one of Iran's greatest advantages in the war. But Pasdaran training and organization were far from professional, and the coordination between Pasdaran and regular army was incomplete, at best. As a result, Iran's force structure, equipment and order of battle were

wholly inadequate for the offensive strategy to which the Iranian leadership still adhered.

This became clear when the great offensive anticipated throughout 1984 was finally launched in March 1985. In many ways, this offensive, in the Howeizah marshes north of Basra, was a large-scale reprise of *Kheibar,* except that Iran initially came closer to achieving a breakthrough. Iranian troops, infiltrating in large numbers through the marshes, crossed the Tigris River and reached the strategic Tigris Highway between Uzayr and Qurna. Had they managed to expand, or even to hold their positions, they would have cut a vital artery between Basra and the north and possibly provoked major disruptions in the Iraqi Army and political system. However, the Iraqi counterattack, though costly in terms of troop losses, pushed the Iranians back and again inflicted massive casualties on the Iranian side.

The Iranian failure in the Howeizah marshes was simply the last in a long series of offensives stymied by Iraqi defenses. As the cost of these failures continued to mount, the advisability of mass Iranian attacks, often employing "human waves" of poorly-trained revolutionary guards, came under increasing criticism. In the aftermath of Howeizah, the futility of these tactics appeared to be conceded even by Ayatollah Khomeini, and in June 1985, an order was issued to switch to a so-called "defensive jihad," meaning the use of numerous small-scale operations intended to destroy Iraqi outposts or make minor gains without risking large numbers of casualties.

This change in tactics was in keeping with a reality that should have been evident since the failure of Iran's summer offensive of 1982, namely, that neither side had the capacity to achieve a decisive victory on the battlefield. Iraq had recognized this reality and assumed a defensive posture that aspired to nothing more than a political settlement based on the status quo ante, and perhaps even less. But Iran, having frustrated Saddam Hussein's more ambitious war aims, persisted in its demands for the overthrow of the Iraqi regime and pursued this objective through a prolonged war of attrition, of which continuous military pressure at the front was but one aspect.

In this war of attrition, Iran enjoyed a number of advantages. Its population was three times as large as Iraq's, meaning that Iraq was forced to effect a much more intense mobilization in order to achieve rough parity in frontline military manpower (and was

therefore more exposed to domestic challenges, especially in Kurdistan). Iran's Islamic regime was also better able to mobilize religious/nationalist enthusiasm for the war. These two factors made it easier for Iran to sustain and replace the manpower losses, estimated at almost 500,000 soldiers and civilians. Until 1984, however, Iran's greatest advantage was economic.

Both Iraq and Iran are heavily dependent on oil revenues to finance their civilian economies and war machines. But Iraqi oil exports were far more seriously disrupted during the course of the war. Iranian attacks at the outbreak of the war destroyed the main Iraqi export terminal at Mina al-Bakhr and the offshore facility of Khor al-Amaya and damaged other installations along the coast; the Syrian shutdown of the IPC pipeline to Banias in April 1982 further curtailed Iraq's export capacity. Despite the upgrading of the pipeline through Turkey and various stopgap measures (such as the trucking of refined products across the Jordanian desert to Aqaba), Iraq's exports in the first half of 1984 were still only slightly more than one million barrels per day (mbd), that is, less than one-third of the pre-war level and only about half of Iran's level in the same period. Financial assistance from Arab and other foreign sources and its own foreign exchange reserves (approximately $35 billion in mid-1980) had initially enabled Iraq to pay for the war effort without abandoning its grandiose economic development programs. But by early 1983, foreign reserves had virtually disappeared and some austerity measures became unavoidable. The foremost symptom of retrenchment was the stretchout, suspension or cancellation of large industrialization and modernization projects, but although the regime strove to preserve a minimal standard of living for the populace (with special attention paid to the families of war victims), signs of economic hardship, including shortages of some basic commodities, persisted through 1984.

For most of the period until 1984, Iran's economic position had been far more favorable. Naval superiority in the Gulf permitted it to market almost as much oil as it could profitably sell; exports of about 2 mbd in 1983 were almost equal to the pre-war level, despite a marked decline in world demand. Iran had no foreign benefactors; it was forced to pay high prices for whatever military equipment it could procure on the open market, and the initial Iraqi invasion in September 1980 and subsequent bombing and missile attacks on Iranian towns caused widespread damage

whose repair entailed significant expenditures. Nevertheless, Iranian revenues were sufficient to cover these outlays, to satisfy the apparently more modest expectations of the public and even to provide assistance (in the form of discounted or free oil) to Syria. Notwithstanding some problems — inflation, an active black market and occasional shortages — Iran seemed to be better placed economically to persist in the war of attrition.

Iraq sought to rectify this imbalance through a two-front effort: improving its own economic situation and undermining Iran's. Iraq's hopes for economic rehabilitation were based on a network of alternative oil export routes. This projected network included an emergency linkup with the Saudi transpeninsular pipeline to the Red Sea port of Yanbu, an entirely separate pipeline across Saudi Arabia, a second pipeline through Turkey, and perhaps another line through Jordan to Aqaba. But only the spurline into Saudi Arabia, with a relatively modest initial capacity of 300,000-500,000 barrels per day, could be completed before the end of 1985. The second Turkish pipeline (500,000 barrels per day) would not be operational before April 1987 and it would be at least the middle of 1987 before the separate Iraqi pipeline through Saudi Arabia (1.6 mbd) could come onstream. Prospects for the Jordanian pipeline (1 mbd) were so uncertain that no completion date was even estimated.

And even if these other projects could be carried out on schedule, there was no certainty that the market would be able to absorb additional Iraqi exports. Barring an upturn in world demand, other producers would have to cut back in order to make room for more Iraqi oil, and the most likely candidate for this role was Saudi Arabia, which was selling part of Iraq's OPEC quota on its behalf. As a result, any increase in Iraqi oil revenues made possible by new export routes might well be offset by reductions in Arab financial assistance.

Consequently, Iraq also launched a determined campaign to damage Iran's economic infrastructure. Such efforts had gone on for several years and had included sporadic attacks on Iranian ports, export terminals, offshore oil fields and industrial plant; until 1984, the primary target had been freight traffic, especially in the vicinity of Bandar Khomeini. But in February 1984, Iraq declared a "maritime exclusion zone" around Kharg Island, Iran's main oil outlet, and launched a concentrated campaign against the oil exports that provided 90 percent of Iran's foreign exchange and

financed Iran's war effort and food imports. This campaign reached its peak during the so-called "tanker war" in the spring and summer of 1984, when Iraq claimed dozens of strikes on tankers at or near Kharg, and Iran responded by threatening to close the Strait of Hormuz and attacking several vessels servicing Saudi and Kuwaiti terminals. Iraq's purposes were to reduce Iranian oil revenues and to provoke an escalation of the level of violence in the Gulf, thereby internationalizing the war and increasing the pressure on Iran to accept a political settlement.

For a brief period of time, security considerations and higher insurance rates did bring about a decline in Iranian exports (to about 1.2 mbd), but Iranian radar countermeasures and reported pressure on Iraq by Saudi Arabia and Kuwait reduced both the frequency and success of Iraqi air strikes; the diminished threat, coupled with price discounts to compensate for higher insurance premiums and Iran's transshipment of oil in its own tankers to smaller terminals on Sirri and Lavan Islands outside of Iraqi aircraft range, enabled Iran to restore exports, if not quite to their previous levels, then at least to a level sufficient to stave off serious economic difficulties. The temporary defusion of the crisis also obviated the need for outside intervention.

In short, Iraqi actions in the Gulf in 1984 did not produce a decisive change in the overall strategic balance between the belligerents or bring Iran any closer to the negotiating table. Given Iran's determination to continue the war, Iraq once again sought relief through escalation from Iranian attrition. This time, however, the focus of Iraqi actions was twofold: against Iran's civilian population and against the epicenter of Iran's economy, Kharg Island itself.

Iraq had frequently carried out bombing and missile attacks against Iranian cities in the past. Cities in Khuzestan, especially Dezful and Andimeshk, had been periodically hit throughout the war and Tehran was heavily bombed in August 1984. But the most intensive campaign against the civilian population was launched in March 1985, only a few days before the Iranian offensive in the Howeizah marshes. This campaign, which violated a UN-sponsored moratorium on urban attacks accepted by both sides in June 1984, lasted for several weeks in March, was interrupted for a while, and then resumed in May before being halted. The focus was on Tehran, especially the poorer southern neighborhoods which were strongholds of support for the Islamic revolution and regime.

Repeated bombing inflicted considerable damage and casualties; night raids were particularly effective as instruments of psychological warfare because they forced large numbers of people to abandon the city each evening and spend the night in the open or under improvised, hastily-erected cover.

Tehran had no effective defense against Iraq but Iran could respond by resuming artillery shelling of Basra and by launching a small number of surface-to-surface missiles against Baghdad. The missile strikes surprised most observers since Iran was not known to have had such weapons in its arsenal. Iranian spokesmen claimed that they had been manufactured in Pasdaran factories; the missiles were generally assumed to have been SCUD-Bs supplied by Libya.

The missile strikes on Baghdad had no perceptible political reverberations in Iraq but the bombing campaign against Tehran did result in signs of growing opposition to the Iranian government and its war policy. Demonstrations took place in southern Tehran in early May and a monumental political traffic jam was staged in Tehran on May 17, in response to a call by exiled former Prime Minister Shahpur Bakhtiar. Demonstrators also took to the streets in Hamadan and Isfahan and violent clashes were reported in Shiraz and Mashad. Other demonstrations occurred in early June. Apparently in response to anti-war sentiment, some Iranian leaders, including candidates for the upcoming presidential election, cautiously allowed themselves to be identified with more moderate terms for a settlement.

In view of these developments, the Iraqi decision to halt the bombing campaign is somewhat puzzling. But whether that decision was taken for fear of Iranian retaliation or for some other reason, the result was that overt manifestations of anti-war feeling in Iran subsided and the government's political ability to continue the war was not seriously impaired. On August 15, Iraq therefore undertook a concentrated effort to put Kharg Island itself out of action.

Kharg had been intermittently attacked on previous occasions — an air strike in June 1984 temporarily reduced capacity to 700,000 b/d — but between mid-August and the end of November 1984, over 60 air raids were launched at the terminal. Two of them, in mid-September and in late November, had particularly destructive results, crippling the main Sea Island jetty and virtually shutting down the facility for several days. While repair efforts,

coupled with some redundant capacity, enabled the Iranians to resume operations fairly quickly, monthly exports did decline, at one point falling to an average of 1.2 mbd, below Iraq's level. Iran had no effective response to the Iraqi attacks: its air defense was porous, its recurrent threats to strike at Iraq's Arab supporters had been exposed as hollow, and US and other western naval forces in the area ensured that the Strait of Hormuz would remain open. Retaliation was therefore confined to stopping and inspecting several hundred Gulf-bound freighters suspected of carrying cargo destined for Iraq. On the other hand, Iran began to take measures to reduce its overdependence on Kharg; these included stepped up shuttle service to Jask, the acquisition of floating buoys to permit at-sea tanker loading, construction of new terminals at Ganaveh and Kangan and the initiation of a pipeline leading to the more southerly terminal in the Khangan-Asaluyeh area. Until these projects were completed, Iran would remain vulnerable to Iraqi targeting of Kharg. By late 1985, a perceptible shift in the attrition balance, though not yet decisive, had already removed the prospect of impending Iraqi defeat. And if Iraq were able to close down Kharg for a prolonged period of time before alternative export routes were operational, Iran might be forced by economic pressures to abandon its strategy of protracted war.

Just as the danger of an Iraqi collapse appeared to diminish because of Iraqi escalation during 1984 and 1985, so, too, did the fears of Iranian counter-escalation against third parties. These fears were originally based on two possibilities: direct Iranian military action against the territory or economic interests of the Arab Gulf states, or an intensification of Iranian-inspired terrorism and subversion in those states.

The first type of threat had actually been carried out in the early years of the war, when Kuwait was subjected to several Iranian air strikes. However, the progressive debilitation of the Iranian Air Force, coupled with the impressive buildup in the air defense capabilities of the Arab Gulf states, reduced the vulnerability of these states to Iranian retaliation. In response to the Iraqi-initiated "tanker war," the Iranians did mount attacks on tankers servicing Saudi or Kuwaiti ports — 14 between May and October, 1984. These were less frequent and destructive than the Iraqi attacks, but they did constitute a danger to those countries' vital interests and provoked active countermeasures. GCC defense ministers met in Riyadh at the end of May 1984 and placed their

armed forces on alert. On June 5, Saudi F-15s rose to meet Iranian aircraft heading toward Saudi airspace and, with the help of American guidance and control personnel, shot down one Iranian F-4. The GCC states subsequently announced their intention to provide air cover for tankers servicing their terminals. Iranian attacks did not cease, but they became less frequent and generally took place further east or south, outside the area of Saudi air patrols.

Increased GCC self-confidence and effectiveness flowed from the massive strengthening of air defense capacity, made possible by US and other western equipment and advice provided since the early 1980s. Since the formation of the Council in 1981, coordination among the member-states had also been stepped up. Coordination was symbolized by the joint military exercises, the second of which (Peninsula Shield II) was held in Saudi Arabia in November 1984. These exercises, like the joint rapid-deployment force created in the same month, did not reflect a truly significant military capability. However, in the most vital area — air defense — the magnitude of the potential Iranian threat evoked more serious cooperation among the ordinarily suspicious Gulf states, and between them and US advisers. One example of this change in attitude was Kuwait's confirmation that it was interested in a direct down-link from American-operated AWACS in Saudi Arabia to its own ground command. As a result, the ability of Iran to harm the Arab principalities, and thereby punish Iraq indirectly, was markedly reduced.

On the other hand, terrorism and subversion continued to threaten the Gulf regimes. Since the triumph of the Islamic Revolution in 1979, Iran had sought to export the revolution to other Muslim states. Aside from Iraq and Lebanon, the Gulf states, with their substantial Shi'ite populations, had been the primary target of these efforts. Iranian activities were coordinated by the "Gulf Office," headed by Hojatulislam Hadi Mudarresi, brother of Hojatulislam Muhammad Taqi Mudarresi, chairman of the "Supreme Council of the Islamic Revolution in the World." The Gulf Office was blamed for the attempted coup in Bahrain in December 1981 and was rumored to be involved in an anti-government plot uncovered in Qatar in September 1983. Iranian *hajj* delegations had frequently preached revolution, posted pictures of Ayatollah Khomeini and held provocative demonstrations.

In 1984 and 1985, however, Iranian sponsored subversion and

terrorism generally constituted a problem of public order rather than a strategic threat to the Gulf regimes. The only major exception was Kuwait, which continued to experience serious disruption. Following a series of 11 car bombings against foreign and local targets in December 1983, Kuwait arrested a number of saboteurs, almost all of them Lebanese or Iraqi Shi'ites linked in one way or another to Iran. In March 1984, eleven of them were given long prison terms and six others were sentenced to death, although the sentences were not carried out. When a Kuwait Airways jet was hijacked to Tehran in December 1984, one of the hijackers' demands was the release of the prisoners in Kuwait. This demand was repeated when a TWA airliner was seized by Lebanese Shi'ites in June 1985. In May 1985, Kuwaiti ruler Shaykh Jabir Ahmad al-Sabah escaped an ambush of his convoy, and subsequent arrests were accompanied by the expulsion of several thousand residents of Persian origin. Terrorist acts nevertheless continued; two cafe bombings in July caused the death of 9 persons.

Aside from Kuwait, however, the Gulf states managed to avoid or foil serious domestic disruption. This was the result, at least in part, of improved internal security made possible by systematic intelligence exchanges among GCC members and the creation of a computerized central data base.

Indeed, the improved capacity of the Arab Gulf states to protect themselves had produced some indications of an Iranian desire to improve relations with them. Iran, of course, did not renounce either the goal of Islamic revolution or the instrumental benefits of being able to intimidate the Gulf Arabs; if the "strategic agreement" signed with Libya in June 1985 had any significance at all, it was that Iran would continue to be active in the funding and training of terrorist groups.

However, if the Iranians had begun to doubt that sabotage and subversion were likely to produce revolutionary regime changes in the Gulf states or to terrorize those states into abandoning Iraq, they may have decided to explore the possible benefits of simultaneously employing a "carrot" in their policy. Iran as a state had frequently been ambivalent in its evaluation of the usefulness to its foreign policy of direct complicity in terrorist actions. In August 1984, for example, Radio Tehran had initially praised the mysterious minings of ships in the Red Sea and Gulf of Suez, but this position was quickly denounced by Ayatollah Khomeini

himself. A more noteworthy event took place in May 1985, when the Saudi foreign minister made the first visit by a high-ranking Saudi official to Iran since the outbreak of the war. Although his talks reportedly focused on arrangements for the upcoming *hajj*, it is possible that the visit signaled a broader change in Iranian-Arab relations and an Iranian intention to try, through assurances of benevolent intentions, to secure a reduction of Gulf Arab support for Iraq or, at least, to open a channel of communications through which favorable terms for a settlement might be pursued. Given the overall shift in the balance of power in the Gulf, the logic of a more conciliatory approach suggested that it would be explored, if not immediately, then by the post-Khomeini government that would eventually rule Iran.

# 5 Superpower Involvement in the Area

On June 19, 1985, Secretary of State George Shultz told the Senate Foreign Relations Committee, "The search for peace in the Middle East is one of our highest priorities." In fact, from the beginning of 1984 until the middle of 1985, neither superpower showed much enthusiasm for intense involvement in the Middle East peace process. The United States had been disappointed by the indifferent response in the region to the Reagan Proposal of September 1982 and Secretary Shultz had been personally embarrassed by the collapse of the Israel-Lebanon Accord of May 17, 1983, in the elaboration of which he had played a central role. For most of the period under review, the US concentrated on issues not directly connected with the Arab-Israel arena — the improvement of its strategic posture in the region, conflict containment in the Gulf, and reacting to terrorism — and it again took on an active role only in response to the initiatives of local actors, especially Jordan (for more on US involvement in the peace process, see Chapter 3).

The Soviet Union, for its part, had been preoccupied with a prolonged internal succession crisis, ending in the accession to power of Mikhail Gorbachev, and had focused its major foreign policy efforts on other issues — trying to prevent the stationing of US Pershing II and cruise missiles in Europe and building international opposition to the US Strategic Defense Initiative (SDI). Soviet activity in the Middle East was generally characterized by a steady, unspectacular push to broaden regional presence beyond the narrow circle of radical states — Syria, Libya, South Yemen and, to a lesser extent, Iraq — and thus position the Soviet Union to demand a co-equal role in the Arab-Israel peace process if and when events made movement on that issue appear feasible.

Caution was the primary theme of American diplomacy with respect to Arab-Israel issues for much of the period under review; US disillusionment, particularly over Lebanon, was reflected in the refusal to continue mediating between Israel and Syria despite the explicit requests of both Israeli and Lebanese leaders to do so. Instead, the major focus of American policy during 1984 was to strengthen strategic ties with local allies. Efforts to advance this

goal were evident during the early months of the year, even before the United States had extricated itself from Lebanon.

Much of this effort focused on Israel. The decision to revive US-Israel strategic cooperation, taken during Prime Minister Yitzhak Shamir's trip to Washington in November 1983, led to a visit to Israel by the Chairman of the US Joint Chiefs of Staff in early January 1984 and the initiation of regular, substantive discussions at the end of the month. Joint operational planning was tested during a medical evacuation exercise in June and a naval exercise, reportedly focusing on ASW, in December. During an August visit by Vice President George Bush, talks were held on the possibility of prepositioning US equipment and carrying out maintenance of US ships and aircraft in Israel. In September, Navy Secretary John Lehman announced a decision to lease 12 Israeli Kfir aircraft for dissimilar air combat training purposes. The extent of the change in the character of US-Israel strategic relations was most clearly revealed during the visit in mid-October of US Defense Secretary Caspar Weinberger to the Middle East.

Weinberger had long represented the Defense Department view that the consolidation of a strategic consensus throughout the region required that the US not appear too supportive of Israel. But by 1984, the continued decline in oil prices and the increased dependence of the Gulf states on western security assistance appeared to have reduced the penalties for highly visible American identification with Israel. Thus, Weinberger responded favorably to Israeli requests for third-stage technology for the Lavi fighter aircraft project and enhanced offset purchase arrangements and agreed, in principle, to US involvement in the construction of diesel submarines for Israel. In 1985, the US authorized unprecedented amounts of economic assistance — a $1.8 billion military grant, $1.2 billion in regular economic grant aid and $1.5 billion in emergency economic aid (the last item to be paid over two years) — and took other measures to reassure the international financial community of Israel's creditworthiness. Finally, the Reagan administration invited Israel to participate in the research phase of SDI, thereby virtually elevating it to the status of full ally.

Relations with other potential strategic partners in the region did not develop quite as smoothly. Egypt continued to be America's main ally and the largest recipient of American aid in the Arab world; economic assistance (excluding the emergency grant) was

almost as high as that provided to Israel. US sensitivity to Egyptian security concerns was demonstrated by the prompt dispatch of AWACS aircraft to Sudan following the bombing of Omdurman, presumably by the Libyan Air Force, in mid-March 1984. Continuing cooperation between the armed forces of Egypt and the United States was symbolized by the "Seawind" amphibious exercise in November 1984 and by the "Bright Star" series of joint exercises in desert warfare, the 1985 version of which was held in August. Nevertheless, US-Egyptian relations were not completely free of possible irritants. Egypt, like most other pro-western states in the region, still refused to grant the United States permanent bases. The tightly-controlled administration of US assistance and the prominence of the US presence in Egypt — the largest US embassy in the world was located in Cairo — were potential sources of Egyptian resentment. And in October 1985, the interception by US aircraft of an Egyptair flight carrying the hijackers of the Achille Lauro placed a perceptible strain on US-Egyptian bilateral relations and led to the postponement of an additional military exercise planned for late 1985. These problems, however, did not alter the fact of a close and mutually beneficial relationship between the two countries.

The same could not be said of US relations with Saudi Arabia and Jordan; these were complicated by Congressional opposition to arms sales to both countries. Saudi Arabia had a pending request for a major arms package, including additional F-15 aircraft and Stinger short-range anti-aircraft missiles. Jordan also had outstanding requests, but in this case, the arms transfer issue was caught up in a broader controversy stemming from the disclosure of previous administration attempts to provide secret funding for the equipment and training of a Jordanian rapid deployment force. In October 1983, Congress had refused to appropriate $220 million for this purpose, and a report in January 1984 — attributed to a senior US official and denied by Jordan — that the two countries nevertheless intended to proceed, reinforced congressional suspicion of any arms transfers to Jordan. Furthermore, there was a tendency in Congress, encouraged by supporters of Israel, to link arms sales to Jordan and Saudi Arabia to evidence of both countries' willingness to enter into the peace process with Israel. Jordan rejected any conditions on arms sales and King Hussein, in an interview with the *New York Times* on March 14, launched a spirited attack on US policy in general.

On March 21, President Reagan felt obliged, in view of the prevailing political climate, to announce the cancellation of the planned sale of Stinger missiles to both Saudi Arabia and Jordan. Two months later, the intensification of the "tanker war" in the Gulf led Reagan to invoke presidential prerogative and approve the emergency sale of 400 Stingers to Saudi Arabia. Thereafter, American inhibitions and Saudi resort to alternative suppliers (e.g., the purchase of Tornado aircraft from Britain) combined to remove the question of Saudi arms procurement from the American political agenda. The Jordanian issue, however, was not so easily resolved.

Jordan continued to press for the arms it felt were needed to correct existing deficiencies, especially in air power and air defense. Administration officials continued to support these requests and emphasized, as Jordan took on a more active role in the search for a political settlement of the Arab-Israeli conflict, that strengthening Jordan was necessary in order to signal American support and provide Hussein with the self-confidence and military capacity to stand up to those, i.e., Syria, who were seeking to sabotage his pursuit of peace. And Congress continued to withhold approval unless Hussein first committed himself unequivocally to direct negotiations with Israel.

In an effort to avoid a damaging confrontation, the administration announced a freeze on all new arms deals at the beginning of January 1985 and initiated a "Middle East Arms Transfer Study" designed to reassess the security needs of various states in the region. Pending completion of the study, attention was to be focused on the less problematic issue of economic assistance to Jordan (although President Reagan, in a departure from the scenario, promised arms to King Hussein during the latter's visit to Washington in May); a $250 million aid package was approved in June. Meanwhile, it was hoped that progress on the diplomatic front might reduce congressional opposition and enable the arms sale to go forward. The study was eventually finished in September and its findings, not unexpectedly, allowed administration spokesmen to argue for a package consisting of the following items:

- 40 advanced fighter aircraft (F-20 or F-16);
- 300 AIM-9P4 air-to-air missiles;
- 12 mobile Improved HAWK surface-to-air missile batteries;
- 14 I-HAWK command posts and conversion kits to make

existing batteries mobile;
- 72 Stinger missile launchers and 36 reloads;
- 32 M-3 Bradley Infantry Fighting Vehicles.

The total value of the package was either $1.5 or $1.9 billion, depending on which aircraft was ultimately chosen.

Although some noteworthy political developments had taken place by the time the study was completed, a decisive breakthrough — meaning the initiation of negotiations — had not yet been achieved and Congress indicated that it would continue to oppose any arms sales to Jordan. In the fall of 1985, Hussein applied futher pressure by placing a large order for military communications equipment with Britain and strongly hinting that he might go back to the Soviet Union for major items (some Soviet surface-to-air missiles were already in the Jordanian arsenal). The deadline for formal Congressional action on the proposal was postponed, by mutual consent, to March 1986. But by then, the administration's case might be further weakened by the Syrian-Jordanian rapprochement. On balance, it was likely that the issue, rather than being settled one way or the other, would remain in limbo for some time to come.

Arms sales had always been viewed as a central, but not sole, element in the strategic partnerships that the United States hoped to create with moderate, pro-western Arab states in the region. The difficulties that Jordan and Saudi Arabia encountered in securing access to American arms were mirrored by the continuing difficulties that the United States encountered in securing access to local bases or facilities or even agreement to highly visible military cooperation. With the exception of Oman, Arab states preferred that US forces remain far "over the horizon," even when a pressing common security threat emerged. This preference was again manifested in May 1984, during a period of intensive Iraqi and Iranian air strikes against naval traffic in the Gulf, when American offers to provide air cover for tankers servicing GCC states were declined by the intended beneficiaries. On the other hand, an American naval presence was maintained in the Gulf of Oman and this was undoubtedly a major factor in any Iranian assessment of the advisability of trying to close the Strait of Hormuz.

Insofar as American diplomacy in the Gulf was concerned, the most prominent event was the renewal of formal relations with Iraq in November 1984. This act was the symbolic culmination of a process of gradual rapprochement explained by Iraq's growing

need for western support — especially since Iran had reversed the tide of the war in 1982 — and the United States' desire to curb the spread of Iranian power and Iranian-supported Islamic radicalism. Expressions of Iraqi moderation on the Arab-Israel conflict had facilitated American economic aid to Iraq and indirect military assistance — in the form of encouragement of an arms embargo on Iran — but the US interest in preventing an Iranian victory (like that of Jordan and Egypt) was self-evident and ultimately independent of Iraqi policy in other respects. Iraqi adherence to a much discussed moderate Arab axis would only be an incidental, albeit highly desirable, supplement to the main objective. In the event, a bloc sufficiently coherent and determined to push forward the Arab-Israeli peace process did not emerge. Furthermore, the US was inhibited from supplying lethal military equipment to Iraq because it wanted to avoid the irrevocable alienation of Iran. Iraqi-Iranian enmity would persist whatever the future of the regime in Iran, but the possibility of Iranian-American reconciliation after the demise of Khomeini was something that the US did not wish to foreclose. Iraq therefore remained firmly tied militarily to the Soviet Union; its renewal of ties with the US may even have served as a means of pressuring the Soviets to increase their support for Iraq.

Another focus of US concern was the ongoing exposure to Middle Eastern terrorism. Despite the withdrawal of the American Marines from Lebanon in early 1984, Lebanese Shi'ites continued to attack American targets. The truck-bombing of the US Embassy Annex in East Beirut in September 1984 caused 23 fatalities and the hijacking of a TWA jet in June 1985 included the murder of an American naval officer on board. Americans were also victimized in other highly-publicized terrorist actions during the period under review. The two passengers killed during the hijack of a Kuwaiti airliner to Tehran in December 1984 were American. So, too, was Leon Klinghoffer, murdered by the Palestinian hijackers of the Italian cruise ship Achille Lauro in October 1985. And in November 1985, the Palestinian hijackers of an Egyptair jet taken to Malta, after shooting the two Israeli women on board, began to shoot American citizens until the hijack was brought to a bloody conclusion by Egyptian commandos.

American determination to combat terrorism, announced in a very aggressive speech by Secretary Shultz on October 25, 1984, was expressed in widespread passive defenses, the pursuit of

regional cooperation and unilateral active measures. The Central Intelligence Agency was instructed to challenge Mu'ammar Qaddafi's rule in Libya and to coordinate with local elements elsewhere. In Lebanon, this meant the training of groups willing to oppose the radical Shi'ites, especially Hizballah, suspected of carrying out most of the terrorist actions against Americans in that country; one of these elements, reportedly not under direct CIA control, detonated a truck bomb in a Shi'ite quarter of West Beirut in early March 1985 and killed 90 persons, although the intended victim, Hizballah spiritual guide Shaykh Muhammad Fadlallah, escaped unhurt. In Egypt, the US offered technical support and equipment, and reportedly operational support as well, to the commando team sent to Malta in November 1985 to retake the Egyptair jet held by Palestinian hijackers. The US also refused to submit to demands of hostage-takers and encouraged other states faced with such demands, e.g., Israel and Kuwait during the TWA hijack, to act similarly; it even expressed its disapproval of the prisoner exchange between Israel and the PFLP-General Command in May 1985. Sharing of intelligence on terrorists continued, especially with Israel and Egypt. And on the rare occasion when the opportunity for forceful action presented itself, as in the aftermath of the Achille Lauro, the US moved to capture terrorists and bring them to trial. None of these measures promised to end terrorism, but the determination to make it harder and more dangerous for terrorists to operate emerged as a major thrust of American policy, in the Middle East and elsewhere in the world.

Following the debacle in Lebanon, US policy in the Middle East was frequently criticized as lacking in overall direction. This type of criticism implied that the United States, as a global superpower, had the innate capacity to shape events in the Middle East according to its own preferences and that only the intellectual acuity or political will were absent. In fact, experience in Lebanon had reaffirmed that a more modest policy of exploiting opportunities and responding to developments in ways that might ultimately promote long-term American interests was more in accord with the realities of the region. This was also the type of approach generally adopted by the Soviet Union.

1984 and 1985 witnessed continuing improvement in the Soviets' overall standing in the Middle East. A major effort had been made during 1983 to strengthen Syria in order to compensate

for the blow to Soviet prestige caused by the Israeli military victory in Lebanon in 1982 and the initial primacy of the United States in the search for a resolution of the Lebanese political crisis. This goal was largely achieved through the frustration of American and Israeli plans for Lebanon and their eventual withdrawal from that country. Thereafter, Syria remained the major avenue of Soviet influence and presence in the region but a determined effort was also made to consolidate or establish relations with other states.

Much of this effort focused on securing for the Soviet Union an entrée into the Arab-Israel peace process. Soviet purposes with respect to this issue could be summarized as preventing a *Pax Americana* and ensuring that in any multilateral diplomacy the Soviet Union would be accorded status equal to that of the United States. In keeping with those goals, the Soviet Union issued a set of peace proposals in July 1984 that incorporated most substantive Arab demands and focused procedurally on the convening of an international conference. But unlike other proposals that called for the participation of all five permanent Security Council members, the Soviet plan specifically named only the United States and the Soviet Union and, in additional support of the Soviet insistence on equality, twice cited as a valid model the 1973 Geneva Conference, of which the two superpowers were co-chairmen.

Although this proposal was rejected by both the United States and Israel, the Soviets strove to enhance their acceptability by cultivating other major actors. Diplomatic relations with Egypt were renewed in April 1984 and a Soviet ambassador was posted to Cairo in September. In August, the commander-in-chief of the Jordanian Armed Forces was invited to Moscow to discuss Jordan's security problems. And throughout most of 1984, the Soviets used the concept of PLO unity as a vehicle by which to express their continuing support Yasir Arafat, even though this produced occasional tension with Syria.

On the other hand, the overriding importance of Soviet-Syrian relations dictated that this support be tempered toward the end of the year, when the Syrians expressed their strong opposition to the Hussein-Arafat rapprochement and the Soviets began to suspect that this process might portend greater receptiveness to American-sponsored schemes such as the Reagan Plan. The decision to hold the Palestine National Council in Amman

appears to have been a watershed in this respect. Although the Soviets themselves sent observers to the Council, it may be significant that the boycott of the PNC by the PFLP and DFLP was announced during a visit by George Habash and Nayef Hawatmeh to Moscow on November 20, just two days after Hafez al-Assad had left the Soviet capital. The Hussein-Arafat agreement of February 1985 was suspect for the same reasons; it was denounced immediately by the Soviet Union and again in June by the heads of Arab communist parties meeting in Moscow.

Despite this tactical maneuvering, the Soviet desire to be involved in Arab-Israeli diplomacy found continuing expression in 1985. The subject was raised at a January meeting between Foreign Minister Gromyko and Secretary of State Shultz. A working-level discussion on the Middle East in February between Assistant Secretary of State Richard Murphy and his Soviet counterpart, Vladimir Poliakov, covered a general exchange of views as well as the specific issue of preventing dangerous miscalculations, although this meeting produced no known progress and no follow-up. More intriguing were the resumption of Polish-Israeli cultural ties, the highly publicized discussions of Israeli diplomats with officials from other East European states, and the spate of rumors at the end of the year concerning the possibility of renewed Soviet-Israeli diplomatic relations and large-scale Jewish emigration from the Soviet Union. The only real evidence in 1985 that there might be something concrete behind these rumors was the campaign to reassure Arab friends of Soviet reliability. Nevertheless, the declared Soviet desire to play a role in the Arab-Israel diplomatic arena suggested that the speculation was at least grounded in logic, if not in facts.

Effective use was made of economic and military instruments in order to promote the Soviet presence in other parts of the Middle East as well. In July 1984, the defense minister of Kuwait — the only GCC state to maintain diplomatic relations with the Soviet Union — visited Moscow and contracted to purchase $325 million in arms. Soviet efforts to broaden ties with other GCC members led to the establishment of diplomatic relations with Oman in October 1985 and with the UAE the following month.

The Iran-Iraq war, of course, remained the major preoccupation of Soviet policy in the Gulf. Soviet actions in the period under review were consistent with the longstanding interest in preventing both a decisive victory and the "defection" to the United States

of either belligerent, while retaining, if possible, reasonably good relations with both. Beyond that, the Soviets stood to gain from a protracted war, provided that its conduct did not produce American intervention and the risk of a superpower confrontation. That sort of war diverted Muslim attention from Afghanistan (especially that of Iran), guaranteed a large market for Soviet weapons, and kept substantial quantities of Iraqi and Iranian oil off the world market, thereby mitigating downward pressures on the price of oil, hence, on Soviet foreign exchange receipts.

The balancing role dictated by these considerations had produced a palpable pro-Iraq tilt in Soviet policy since 1982. This continued in the early months of 1984. A Soviet delegation visited Iraq in March and signed a number of economic and technical agreements, including one committing the Soviet Union to build a nuclear reactor in Iraq. In April, Iraqi Deputy Prime Minister Taha Yasin Ramadan and Foreign Minister Tareq Aziz traveled to Moscow and secured major new arms contracts as well as $2 billion in economic credits. But though these measures undoubtedly helped Iraq to sustain its war effort, they also signaled to Iran that there was a price to be paid for Tehran's increasingly strident anti-Soviet propaganda — and were probably intended to do so.

The Iranian reaction was to propose an improvement in Soviet-Iranian relations. Since this initiative coincided with a change in the overall attrition balance in Iraq's favor that called for some countervailing Soviet action, the Soviet leadership had every reason to respond positively. In June 1984, the director-general of the Iranian Foreign Ministry was invited to Moscow and discussed the issue of Soviet arms transfers to Iraq with Andrei Gromyko. The immediate consequence of his visit was an Iranian-Soviet economic agreement which provided, inter alia, for the construction of Soviet power plants in Iran. There was no official acknowledgement of direct Soviet arms sales to Iran, but large-scale transfers by North Korea continued — via Soviet air space and undoubtedly with Soviet approval. And reports surfaced in 1985 suggesting that the Soviets had authorized the sale of surface-to-surface missiles in return for access to the technology of American-built F-14 aircraft in the Iranian arsenal.

Soviet activity in connection with both the Iran-Iraq War and the Arab-Israel conflict inevitably had an impact on relations with Syria. In many cases, this impact could be described as destruc-

tive, at least from the Syrian point of view. Soviet-Syrian relations, after all, were essentially asymmetrical: the Soviets could conceivably improve their overall regional and international position by cultivating ties with Syria's rivals in the Middle East, even if this entailed some degradation of the Soviet foothold in Syria itself; the Syrians might conversely threaten to diversify their foreign alignments, but they could not hope to improve their overall strategic position by replacing the Soviet connection with a western one. The perceived centrality of Soviet-Syrian ties to the Syrian goal of strategic parity with Israel was reflected in the emphatic (perhaps too emphatic) assertions of Syrian spokesmen that those ties were intimate and sure. Defense Minister Mustafa T'las, for example, declared in June 1984 that two Soviet divisions could reach Syria within 8 hours; in September, he announced that the Soviet Union had promised Syria nuclear weapons if similar weapons were developed by Israel.

Given this asymmetry, the Syrians were bound to be intensely suspicious of any sign, however dubious, of Soviet inconstancy. In 1984 and 1985, such signs included actions that benefited Iraq (military support, efforts to mediate an end to the war, and proposals for Syrian-Iraqi rapprochement) and that hinted at a possible reassessment of Soviet policy on the Arab-Israel conflict (diplomatic relations with Egypt and Oman, discussions with the United States, and Egyptian/Jordanian encouragement of a renewal of Soviet-Israeli relations).

Nor were Soviet-Syrian bilateral relations altogether problem-free. There was no evidence that Soviet support for the Syrian force buildup had weakened; the withdrawal of some 3000 Soviet personnel (primarily SAM-5 missile operators), announced in January 1985, was almost certainly a reflection of Syrian operational capabilities rather than of any political contretemps. On the other hand, there was a divergence of Soviet and Syrian views on the use of violence in Lebanon. Assad's visit to Moscow in mid-June 1985 fed speculation that he was being pressured by the Soviets to end the TWA hijacking in order to forestall a forceful American intervention. And since the Syrian-inspired assault on Tripoli was suddenly halted immediately after the kidnapping of four Soviet diplomats in Beirut at the end of September (the first instance of anti-Soviet terrorism in Lebanon), it was reasonable to assume that Assad had been forced by Soviet political intervention to spare the Sunni fundamentalists and Arafat loyalists trapped in the city.

These developments did not indicate an imminent breakdown in relations between the Soviet Union and Syria; at the end of 1985 each was still far too valuable to the other to be sacrificed for the sake of some uncertain alternative. But they did explain why Assad might want to reduce Syria's dependence on the Soviet Union. The Syrian-Jordanian rapprochement may have been one manifestation of such a desire, and others could well follow.

# Appendix

## FRAMEWORK FOR COMMON ACTION

### (The Hussein-Arafat Agreement)
### February 11, 1985

Proceeding from the spirit of the Fes summit resolutions approved by the Arabs and from UN resolutions on the Palestine question, in accordance with international legitimacy, and proceeding from a joint understanding toward building a distinguished relationship between the Jordanian and Palestinian peoples, the Government of the Hashemite Kingdom of Jordan and the Palestine Liberation Organization have agreed to march together toward a just, peaceful settlement of the Middle East issue and toward the termination of the Israeli occupation of the Arab territories, including Jerusalem, in accordance with the following bases and principles:

1. Land in exchange for peace as cited in the UN resolutions, including the Security Council resolutions.
2. The Palestinian people's right to self-determination. The Palestinians should exercise their inalienable right to self-determination when the Jordanians and Palestinians manage to achieve this within the framework of an Arab confederation that is intended to be established between the two states of Jordan and Palestine.
3. Solving the Palestinian refugee problem in accordance with the UN resolutions.
4. Solving all aspects of the Palestine question.
5. Based on this, peace negotiations should be held within the framework of an international conference to be attended by the five UN Security Council permanent member-states and all parties to the conflict, including the PLO, which is the Palestinian people's sole legitimate representative, within a joint delegation — a joint Jordanian-Palestinian delegation.

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Source: Foreign Broadcast Information Service, *Daily Report* (MEA), V, no. 37 (February 25, 1985), p. F1.

Strategic Coup

# THE REVOLUTION IN U.S.-ISRAEL RELATIONS

by

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Washington, D.C.
April 6, 1986

My congratulations to Bob Asher on his re-election as AIPAC's president. I have been looking forward to saying something about Bob to all of you. Over the last two years, I have worked extremely closely with him. He is farsighted, he is demanding, he is a leader of whom the pro-Israel community should be proud. AIPAC is a stronger organization because of him. And I look forward to working with him, together, side-by-side, for the next two years, solidifying and energizing the U.S.-Israel relationship as it ascends to ever greater heights.

Let me join Bob in praise and enthusiasm for AIPAC's new slate of elected officers, our Executive Committee, and National Council members. Homegrown from the grassroots, you set the agenda. Of the entire pro-Israel community, you are the pre-eminent political activists in this country. By your community and national efforts, you are the ones who make such a decided difference in the very positive position Jerusalem has in America's foreign policy and among the American public.

This is -- again -- a tremendous turn-out for AIPAC's annual Policy Conference. What a thrill it is to see so many in attendance -- of all generations. From around the country have come our top chieftains: state chairpersons, congressional caucus leaders, key contacts, leaders on so many local fronts, on so many issues of concern to us as American citizens.

And if you want to get a glimpse into the 21st century, look around you. The more than 500 students are high schoolers and collegiates.

They have come from a variety of places like Utah and Iowa, Kansas and Alabama, Vermont and Arizona -- and New York. This is the largest number of students ever assembled at an AIPAC policy conference!

As we march into the 1990s and beyond, these young people will be marching with us! They are the vanguard, the vanguard of a new generation that appreciates the imperative for political involvement, and for political activism. AIPAC students match their passion with their political acumen. They are literally transforming their campus environments. And, in time, they will transform the political landscape of this nation. On the college campuses of America, AIPAC has seen the future -- and it works!

Jews and Christians, young and old, white and black, liberals and conservatives, Democrats and Republicans, energetic and enthusiastic and responsible citizens, we are here on behalf of our common cause -- to expand, to deepen, to enhance the partnership between Washington and Jerusalem.

The theme of this conference is "People made the difference in policy and politics."

Each of you gives our cause strength. You are the heart of AIPAC. Together we are strong. Each one of us needs each other.

And nowhere is this more clearly expressed than in the Congress of the United States.

Congress functions both as a forum through which public opinion is brought to bear upon the whole federal government and as a medium for gathering and disseminating information for the enlightenment of the people. Capitol Hill is the repository of our democratic principles. It is in Congress that laws are made and national policy codified. No one appreciates these facts more than those of us in this room tonight -- AIPAC's members and staff.

The barometer by which one measures Israel's standing among the people of America is by what takes place on Capitol Hill. Here U.S. support for Israel is built, maintained, and advanced. Congress is the bedrock of the U.S.-Israel relationship.

Just a year ago I stood before you and laid out a legislative agenda that some said was too ambitious. I am here tonight to report that we have met or exceeded every one of our goals.

Congress in 1985 passed -- and the President signed into law -- the first foreign aid bill since 1981. Despite the budget-cutting mood here in Washington, the legislation contained the most generous Israel aid package ever: $3 billion in regular aid plus an additional $1.5 billion in emergency economic aid. All the funds are grants. The $3 billion in aid represents an increase of $400 million above the previous fiscal year and a doubling of grant assistance since 1983.

When Senator Richard Lugar (R-IN) took the aid authorization bill to the Senate floor as the new chairman of the Committee on Foreign Relations -- and he is there thanks to the defeat of Charles Percy -- he wanted to plant the bill firmly into the most solid political foundation possible. He began with something easy for his colleagues to vote on -- one and a half billion dollars in emergency economic aid money for Israel. The amendment passed unanimously! There could be no better indicator of support for Israel than that.

Senator Lugar's tactic of starting with Israel acknowledges that aid to Israel is the locomotive that powers the whole foreign aid train through the legislative process. It was a signal also to the Administration that foreign aid passes largely because of support for aid to Israel, and that Israel is a Congressional priority.

But there was more, much more, in that landmark legislation by the time it reached the President's desk.

-- Funding was assured for Israel's Lavi aircraft project, Israel's fighter for the 1990s.

-- The United States will no longer pay the bills for United Nations programs which benefit the PLO.

-- And funding was increased for a unique cooperative program that combines American aid with Israeli know-how to help developing nations.

-- Four strong messages for the peace process were contained in that legislation as well.

* First, the Egyptians were put on notice that America's generous aid to that country is linked to its performance in sustaining its peace treaty with Israel.

* To Jordan, Congress said it wanted to see a tangible commitment to a peace process, not just more rhetoric, before a major arms transfer would even be considered.

* For the Saudis, Congress has now legislated that they must contribute substantially to the peace process before the AWACS sold in 1981 can be delivered later this year. We will be taking a much closer look at that issue in the weeks ahead as the Congress begins probing it in depth.

* And to those in the State Department who were anxious to bring Yassir Arafat to the peace table (instead of the docket where he belongs), Congress barred all US officials from direct contact with the PLO unless it publicly accepts UN Resolutions 242 and 338, recognizes Israel's right to exist, and renounces terrorism.

This year we will be lobbying for another grant of $3 billion in aid for Israel, as recommended by the Reagan Administration in the Gramm-Rudman environment.

The generous scope and consistently supportive provisions of U.S. aid for Israel, especially during this period of deficit reduction, reflect the widely-held belief, both in Congress and in the Administration, that a strong, economically stable Israel is in the highest interest of the United States.

That is also why the Congress approved the final Free Trade Area agreement and implementing legislation by an overwhelming 422 to 0 vote in the House and by unanimous voice vote in the Senate.

And just a few weeks ago, after 37 years of delay, the Senate finally gave its advice and consent to the Genocide Convention, a treaty the Government of Israel ratified in 1950.

But the real story of last year was one that each of you was personally involved in. I want to pay special tribute tonight to you, to Congress, and to our guest speakers tomorrow night and Tuesday morning, Senators Ted Kennedy (D-MA) and John Heinz (R-PA) and Congressman Larry Smith (D-FL). Together, you blocked the Jordan arms sale! Together, you set the pursuit of peace above the sale of arms as this nation's priority.

The message was loud and clear: First send in the peace makers, not the arms merchants. As Senator Heinz put it, "selling advanced weapons prior to direct negotiations between Israel and Jordan is premature and unwarranted."

Our strategy, frankly, was to convince the Administration not to push for the arms sale until King Hussein had taken an irrevocable step toward peace. Our goal was to see him seated across the negotiating table from the Prime Minister of Israel. If we have learned anything it is that arms sales to Israel's enemies are no incentive for peace. On the contrary, when we have withheld weapons, as we did with Egypt in the mid-1970s, we witnessed progress toward reconciliation. This was clearly the view of overwhelming majorities in both parties and both houses of the Congress.

Nonetheless, despite all the warnings, the Administration sent its $2 billion jets-and-missiles package for Jordan to Capitol Hill on October 21. Twenty-four hours later nearly three-quarters of the U.S. Senate introduced a resolution to disapprove that arms sale. This was followed a few days afterward by a 97-to-1 vote in the Senate (and later unanimously in the House) shelving the sale for another 100 days or until "direct and meaningful peace negotiations between Israel and Jordan are underway." As the March 1, 1986, deadline for action approached, as Congressional opposition continued to grow and was strong enough to override the President's veto, with still no sign of progress in getting King Hussein to the table, the Administration reluctantly

announced it was indefinitely postponing its arms proposal.

This did not happen by accident. It came about because you and thousands more like you all around this country worked very hard. You spoke, and wrote, and phoned, and visited your Representatives and Senators. You let them know clearly how you felt about selling advanced fighter jets and missiles to a country still at war with Israel which shares her longest hostile border. Your message, in the words of one Congressman, was "no peace, no planes"!

By withdrawing the arms package, even the Administration conceded that there had been no progress on the peace front. Even King Hussein acknowledged this when he finally blamed the breakdown of his peace initiative on Yassir Arafat.

You shaped the debate by demanding that major arms sales be predicated on a viable peace process. You articulated your views in an effective manner to your elected officials. That is the essence of the democratic process, and it is the essence of AIPAC. It is the essence of America. That is what we are all about. You made the decided difference. I salute you.

In reviewing this record, it is clear that we have grounds for great satisfaction. We have succeeded in building extraordinary support for Israel in Congress.

But I want to use this annual occasion to do more than just list our achievements. As Executive Director, I want to take the opportunity to delve more deeply into the issues before us as an organization.

This year, we meet at a time when the community is seized with a controversial issue concerning the Executive branch. The question is, when Israel is increasingly dependent upon the United States, how do we strike the right balance in our policy toward the Executive branch? Our goals depend very much on the decisions that the President and his top officials make toward Israel specifically and the Middle East generally. In these areas, a close and consultative relationship between our community and the Administration is a mainstay of U.S.-Israel relations.

Yet there are, inevitably, other policy issues on which we are destined to disagree with this or any other administration. In some cases, once in a while, administrations are just plain wrong! Or, to be a little more charitable about it, in some cases they are trying to solve a different problem with another country, but their actions, while not <u>intended</u> to harm Israel, have the effect of eroding Israel's narrow margin of security.

We are the watchdogs of one key issue, the U.S.-Israel partnership. In some cases, we oppose Administration policy, particularly if it threatens Israel, even if this opposition strains our relations with the President.

But we know there is a tension between these two aspects

of our work, and there is a dilemma of when to work with and when to work against this or any administration. We also know that every choice has a price. If we are working with an administration to achieve vital goals, we pay a price in not facing down some policies which are adverse but are in areas of lesser importance.

In the past, when we have been forced to mobilize opposition because an administration has embarked on a course that threatens damage to the Jewish state and to the higher interests of the United States, we have done so with the realization that, inevitably, we are also thereby damaging our other goals.

There is no painless, cost-free way to make the policy choices we at AIPAC must make. What we have to do is weigh carefully the costs and benefits of the alternatives before us. We try to make choices on the basis of a clear vision of our immediate and ultimate goals, and a clear strategy for achieving them.

When we make these decisions we must always be aware of the responsibilities we bear for the future of the bilateral relationship, and the future of the Jewish people. Israel may be strong today. But its enemies are also stronger than they have ever been. The enormous investment in arms that the Arabs undertook in the 1970s is now reaching maturity. Arab radicalism and Islamic fundamentalism are on the loose. Those few in the Arab world who advocated peace are either cowering in fear or dead.

We sense, deep in our hearts, that a very dark hour may visit us again, that an extreme threat may rush, perhaps with little warning, to Israel's door. When this storm does come, what we in this room have done and not done will be judged, not by the passing standards of the moment, but by the unforgiving measure of how choices made today affect the ability of the Jewish state to survive that future danger.

With this ultimate criterion in mind, let me review where we are, and explain to you the choices we have made and are making.

To put it simply, the relationship today between the United States and Israel is excellent. This relationship has entered a revolutionary era. We are no longer talking about a transformation in the relationship, we are talking about a revolution. The old order in which Israel was regarded as a liability, a hindrance to America's relationship with the Arab world, a loud and naughty child -- that order has crumbled. In its place, a new relationship is being built, one in which Israel is treated as -- and acts as -- an ally, not just a friend, an asset rather than a liability, a mature and capable partner, not some vassal state.

This Administration, this Congress, and this community -- together with Israel -- are engaged in changing the entire basis of U.S.-Israel relations. And I submit to you, these

changes in the strategic, economic and diplomatic spheres will be felt for decades to come.

Many of these changes are occurring slowly and undramatically, in ways that hardly appear in the press, so let me give you a few signposts.

Let us begin with strategic cooperation. It is hard to believe that barely two years have passed since the American President and the Israeli Prime Minister announced that the two countries would embark on joint military planning, joint exercises, and prepositioning of military equipment in Israel. But, at President Reagan's initiative and in pursuit of his vision, Israel is now being treated as an ally. What were mere words at the outset of Ronald Reagan's presidency, have now been translated into tangible actions undertaken by both countries in pursuit of their common interests as fighting democracies. Meetings of the U.S.-Israel Joint Political Military Group are now a matter of routine; joint military maneuvers and medical training exercises occur on a regular basis; U.S. Navy fighter pilots of our Sixth Fleet now train at Israeli bombing ranges in the Negev desert; visits by the Sixth Fleet to Haifa have quietly taken on the dimensions of a minor invasion, including the visit to Israel last year of some 30,000 American sailors.

This relationship is vital to the future of Israel, for several reasons. First, to have the United States standing beside Israel in this way sends a strong deterrent signal to radical forces in the Arab world, and to the Soviet Union. It tells them that any thought they might have had about driving a wedge between the U.S. and Israel, about isolating the Jewish state in order to destroy it, is foreclosed.

Second, strategic cooperation is improving Israel's access to the most advanced American technologies, and these will contribute significantly to Israel's defense. When "the few" fight against "the many", the small band must rely on qualitative advantages to offset the enemy's enormous quantitative superiority. Advanced technologies therefore are the very heart of Israel's security requirements. Here, as elsewhere, Israel is afforded the same treatment as America's other allies in Europe, Japan, Canada, and Australia. And this is being done not merely as some favor to Israel, but because Israel's brain-power has much to contribute to the development of technological breakthroughs in the area of defense.

Third, the President has declared that the U.S. will consider the use of Israeli facilities to stockpile U.S. defense items for joint use in preparation for a possible emergency in the region. Prepositioning will strengthen the ability of U.S. forces to maintain security there, while also providing Israel with an additional stockpile to draw upon in a crisis.

Fourth, the U.S. is stepping up dramatically its own purchases of defense goods and services from Israeli firms. This, too, helps to reduce the burden of Israel's defense, by

increasing production runs and reducing unit costs of defense items. And, of course, it strengthens America's defense by providing it with effective weapons at lower cost.

The whole story of this revolution in strategic cooperation cannot yet be told, because many of the most important steps are in an embryonic stage and both countries feel that greater progress can be achieved without an undue burden of publicity. Let me, however, share with you what Secretary of State George Shultz recently explained. He said the point of strategic cooperation is, and I quote, "To build institutional arrangements so that eight years from now, if there is a Secretary of State who is not positive about Israel, he will not be able to overcome the bureaucratic relationship between Israel and the U.S. that we have established." Think about that. For a Secretary of State to feel that way -- think about how far we have come.

And on the question of defending Israel, the Secretary of State forecasted, "Eight years from now, discussions about Israel's security will be different. They will be about the highest, state-of-the-art weapons technology and how Israel is taking advantage of that technology. That is how we are going to secure Israel."

So I can only re-emphasize: we are in the middle of a revolution in the area of strategic cooperation, and this President and this Secretary of State are going to leave a legacy that will be important to Israel's security for decades to come.

A similar process is taking place in the economic arena. With the Free Trade Area as a permanent basis for future trade relations between the two countries, Israel is the only country in the world to have across-the-board, two-way duty-free trade relations with the United States of America, the world's largest market. Since Israel is also an Associate in the European Common Market, it is in the unique position of being the one place on the entire globe where you can locate a factory to export freely to both the United States and Europe without tariffs. The benefits of this revolutionary change will take some years to materialize fully. This treaty will have an enormous effect on Israel's export opportunities for the rest of our lives.

But this is only one of the revolutionary changes in the economic sphere that the Reagan Administration has wrought. In 1983, as you know, the President ended the practice of giving Israel a mixture of grants and loans, and shifted instead to an all-grant basis for aid. If you were following the alarming rate at which Israel's debt burden was increasing, you can understand that this decision to cap the debt burden and end its growth is vital to the process of Israeli economic recovery.

This President, and especially this Secretary of State, have also played an important role in helping Israel to stop the galloping inflation that was raging at 800% per year, an achievement that no other democracy has ever scored in so short a period. At the same time, they helped Israel survive a foreign exchange crisis, by recommending to the Congress a multi-billion dollar special appropriation over the past few years. And, beyond this, Secretary of State George Shultz is playing a unique role in providing excellent economic advice and personal support for renewed economic development in Israel. Israel was, very frankly, hemorrhaging economically the last time we met. Today, the painful cuts are being felt, but she is getting back on her feet. Credit goes to the Government and people of Israel. But it also must go to the U.S. Congress and the Administration, and particularly Secretary of State George Shultz, for helping the recovery, and for helping create a strong economic future for the Jewish state.

We also see the revolution in the diplomatic sphere. The State Department used to define success in the peace process in terms of how much pressure the U.S. was bringing to bear on Israel to make concessions. Now, Israel is treated as a partner in the peace process. Cooperation on the strategic level is complemented by coordination on the diplomatic level. The United States now only moves on the peace process after the closest consultation with the Government of Israel. Trust, the most crucial ingredient in any negotiation, has been established in the diplomatic discourse between the United States and Israel.

Moreover, in its public diplomacy, this Administration has demonstrated unprecedented support for the sometimes controversial actions Israel is forced to take. The understanding expressed by the White House of Israel's retaliation against PLO headquarters in Tunis is but the most recent example of this phenomenon. At the United Nations, the United States has now gone beyond defending Israel to actively opposing and undermining the anti-Israel efforts of the Arabs. On the other hand, only Israel supported President Reagan's actions in the Gulf of Sidra, while our Arab "friends" condemned American actions.

In the interest of time I will close this review here. We are in the midst of a revolution that is raising U.S.-Israel relations to new heights. In the process, a whole new constituency of support for Israel is being built in precisely the area where we are weakest -- among government officials in the State, Defense, and Treasury Departments, in the CIA, in science, trade, agriculture, and other agencies. These are the people responsible for proposing policy and for implementing it. In a crisis these anonymous officials will play a vital role. And they are now learning, through personal experience, the value of Israel to the United States. In other words, we are talking not only about a revolution in the relationship between two states, but also in the attitudes of key people responsible for that

relationship. That is what we mean when we talk about sinking down roots that will secure the tree of U.S.-Israel relations from future storms.

But we cannot afford to be complacent about these matters. The revolution has only just begun. The gains are not yet secure. We are still dependent on the continued commitment of the Reagan Administration to press ahead -- at the urging of Congress and the public. But, despite our enormous respect for the Administration and its friendship toward Israel, that has not stopped us from opposing and challenging certain arms sales and, of course, so-called peace policies.

The Jordan arms sale of 1985 and 1986 is a case in point.

There was another case last spring. We were advised then by American and Israeli defense experts that a proposed package of F-15s and other highly sophisticated weapons to Saudi Arabia would materially erode Israel's security and add to its burden of defense. Even though there was a risk of tension with the Administration, we concluded that the danger to Israel from not challenging that sale was greater than the cost of actively opposing it, and therefore, we mobilized opposition and succeeded in having the package stopped.

Now over the past few weeks, there has been a third arms sale case in which we have made an opposite decision. We decided not to fight an arms sale because in our best judgment, the cost of a confrontation with the Administration would have been greater than the marginal benefit of stopping the arms sale. This package to Saudia Arabia involves a variety of missiles about which we are of course not particularly happy, and our very strong instinct was to fight it, especially because of Saudi Arabia's abominable record.

But it is also our function to examine and evaluate the facts of the case. And there we found that there was a consensus among defense experts associated with all factions and all schools of thought, that this particular package would have questionable impact on the security of Israel. The most authoritative study conducted found that this package would add little of consequence to the existing overall threat to Israel. We also found a remarkable consensus among the major Jewish organizations in our community, such as the Conference of Presidents, Council of Jewish Federations, the defense agencies, NJCRAC, and CRCs. They felt that we would not be justified in mounting a major campaign to confront the Administration's policy in this particular case.

We are an activist organization, and deciding not to fight does not come easily to us. But I believe we are obliged to act not out of impulse, but out of a careful assessment of all the factors in the situation. Indeed, making decisions in this way is a mark of our maturity and is

in fact essential to our continued effectiveness. No army should allow itself to be drawn into battles that are outside its vital interests, and no army should fight when the costs of war are greater than any possible gains from victory.

When we were weak, we did not have the luxury of these problems. Being weak means being unable to fight successfully even when our vital interests are threatened. But when we are strong, we have the dilemma that comes with that situation, the responsibilities of when to unleash and when to restrain our use of power. We have had to learn that a wise, potent policy is not necessarily one based on endless contests of strength.

And we have always had to bear in mind that ultimate criterion that I stated earlier. If the enemies of Israel and America mass at the gate, will the young men and women who must defend the Jewish nation with their lives have at their disposal every means of defense and every advantage that we with all of our ingenuity and all our efforts could arrange? Will America be there as a true ally when Israel needs it?

I am confident that we made the right decision. In looking back, we can find things that we did in implementing the decision that could have been done better.

We are learning as we go. We are all discovering that the revolution in U.S.-Israel relations touches us at AIPAC as well. It affects our attitudes and our actions. And as the issues today are much wider than they were, so the scope of our responsibilities is much greater, and the stakes much higher.

In a word, we are, all of us in this room, giving birth to a new AIPAC, one which has all the character of the original but also one which has the qualities we need to prepare for the future. The times have changed, and we must change with them.

We know the Congress contains our most reliable and essential friends. But it is essential to work closely with Executive branch officials as well. Many of the foreign policy issues of greatest importance to us are decided and managed primarily by the Executive branch of government. For example, how the United States conducts itself in the peace process is decided primarily by the President and his advisers. Whether Israel is excluded or asked to be included in scientific arrangements such as Strategic Defense Initiative research and development programs is, on the whole, decided by the Executive branch. How the United States will relate to moderate and radical Arab countries, and to Israel itself, is controlled by those who sit on the National Security Council. We must do in the Executive branch what we have done in the Congress -- make new friends, and spread the message of how close relations with our one reliable, democratic ally in the Middle East serve the interests of the United States of America.

In this context, there are new requirements to our political action. We must expand our lobbying efforts beyond Washington to every Congressional District, and this is where you come in.

Accordingly, we have undertaken to establish a system of congressional caucuses throughout America. Pro-Israel citizens, Jews and Christians, are now meeting by several times a year with their Congressmen and Senators to sensitize them to the issues we care about. We have established these caucuses in towns you have probably never heard of - McAllen, Texas; Monroe, Louisiana; Jonesboro, Arkansas; Seminole, Oklahoma; Roswell, New Mexico; Bellingham, Washington; Medford, Oregon.

The results of these organizing efforts are amazing. In the Southwest region alone -- from Louisiana over to Arizona, Congressional voting patterns have changed dramatically. A few short years ago, we were fortunate to garner 35% of the votes for foreign aid by the 53 Congressmen there. By the summer of 1985, 70% voted in favor of foreign aid. In 1981, only four of the Southwest's 12 Senators voted with us on the AWACS. In 1985 nine of the 12 signed the Heinz-Kennedy Resolution of Disapproval for Jordan arms - and another Senator probably would have supported our position if it had come to a vote. A Congressman in Texas who had never opened the door to our Washington lobbyists, after meeting with his caucus back home, is today an ardent supporter. An Arkansas Congressman, whom our community did not even know early in his campaign and actually feared, began meeting with pro-Israel activists and has become a reliable pro-Israel friend, including visiting Israel to see for himself. The examples go on and on.

We have also begun creating coalitions state-by-state. In Texas, three state officials have begun one of the most exciting efforts at coalition building I have seen in my career. Tomorrow morning you will hear from Commissioners Mack Wallace, Gary Mauro, and Jim Hightower. The Agricultural Commissioner has begun the Texas Israel Exchange (TIE) which has involved hundreds of farmers in a program of agricultural technology exchange during a period that has witnessed anti-semitism in the farm belt. Imagine bringing farmers into our caucus system and other efforts at influencing Congress. Imagine the power of a letter from the Agricultural Commissioner of Texas stating to each member of his Congressional delegation that the Free Trade Area legislation was in the best interests of his state. Imagine coalitions in every state from farmers to blacks to oilmen to Hispanics. Imagine hundreds of caucuses meeting with their Congressmen. That is where we are going. That is where the strength and future of the U.S - Israel relationship lies.

This sophisticated political action requires more reliance than ever on individual acts and individual discipline. Individual resilience in the face of an arbitrary universe, indeed in the face of heartbreak, is the test of the human spirit. This is what makes the difference

in people. This is what makes the difference for us here at AIPAC.

We know the U.S.-Israel relationship is strong, but that Israel is not yet safe. But we also know that what we do today will help secure the Jewish state and the Jewish people tomorrow. And now, in this new era in which the United States and Israel are allies in the defense of freedom, we also know that we can pursue our mission, ourselves secure in the knowledge that what is good for America is good for Israel, and that what strengthens Israel equally strengthens America. These are the values which bring us together -- love for America and love for Israel. I feel privileged to share in this work with you. Our task is far from over, but with each day we must and we will build on this truly grand beginning.