PURSUING PEACE

AN AMERICAN STRATEGY FOR THE ARAB-ISRAELI PEACE PROCESS

FINAL REPORT OF THE WASHINGTON INSTITUTE'S
STRATEGIC STUDY GROUP

PURSUING PEACE:

AN AMERICAN STRATEGY FOR THE ARAB-ISRAELI PEACE PROCESS

Final Report of The Washington Institute's
Strategic Study Group

Library of Congress Cataloging-in-Publication Data

Pursuing Peace: an American strategy for the Arab-Israeli peace process: The Washington Institute for Near East Policy's Strategic Study Group's final report.

p. cm.

ISBN 0-944029-20-5

1. Jewish-Arab relations–1973. 2. Middle East–Politics and government–1979. 3. United States–Foreign relations–Israel. 4. Israel–relations–United States. 5. United States–Foreign relations–1989.

I. The Washington Institute for Near East Policy. Strategic Study Group.

DS119.7.W39 1992

327.7305694–dc20 92-26631

CIP

The Washington Institute for Near East Policy

1828 L Street, N.W., Suite 1050, Washington, D.C. 20036

Library of Congress Catalog Card Number 92-26631

ISBN 0-944029-20-5

Cover Design by Jill Indyk

Cover Photo: AP-Wide World Photos, Inc.—President Bush, at center standing, makes his opening speech to the assembled delegations at the Mideast peace conference table in the Palacio Real of Madrid (October 30, 1991).

CONTENTS

PREFACE

The Middle East since August 1990 has presented a picture few could have imagined, highlighted by the Gulf War and the inauguration of Arab-Israeli peace talks. Throughout these two years, American diplomacy and influence have played a central role in creating the basis for a more stable and secure order in the volatile Middle East.

Yet, the efforts of the United States in the Middle East are far from complete. The U.S. is still in the early stages of promoting an arms control initiative originally offered in May 1991. The administration continues work on regional security arrangements for the Persian Gulf region. Middle East states have just begun to discuss economic development in the context of the multilateral negotiations which began in late January. And the next administration still must face the problems caused by Saddam Hussein's continued rule of Iraq and his resistance to the international community.

The United States has maintained a long-term commitment to helping the Arab states and Israel resolve their forty-four year-old conflict. With the end of the Cold War and American prestige at its zenith in the wake of the Gulf War, Secretary of State James Baker III achieved what his predecessors could not: a sustained process by which Arabs and Israelis could, on both a bilateral and multilateral basis, negotiate the many aspects of their conflict. For the foreseeable future, the diplomatic efforts of the United States will need to be concentrated on sustaining this process. America's long-term approach to Arab-Israeli peace talks is the subject of this, the third and final report of The Washington Institute's Strategic Study Group.

The Strategic Study Group has already provided the context for a sound approach to the Arab-Israeli peace process. Its initial report, *Restoring the Balance: U.S. Strategy and the Gulf Crisis* (The Washington Institute, January 1991), released on the eve of Operation Desert Storm, provided a framework for American goals and interests in the Middle East. The Study Group then elucidated those principles in the context of post-war realities in its interim report, *After the Storm: Challenges for America's Middle East Policy* (The Washington Institute, June 1991). In that publication, the Group addressed three of the four challenges invoked by President Bush in his March 6 address to Congress—regional security, arms control, and economic development—and added an additional challenge, the promotion of positive political change in the region. [See appendices A and B for summaries of the previous Strategic Study Group reports.]

Harvey Sicherman was the author of the original draft of this report drawing upon valuable input from Peter Rodman. Martin Indyk worked with him to produce the final version. Marvin Feuerwerger coordinated the contributions from members of the Study Group. The Strategic Study Group was also fortunate to be able to draw upon

the advice of administration officials involved with the peace process.

As with *Restoring the Balance* and *After the Storm*, this report reflects the broad, bipartisan consensus of members of the Study Group but does not necessarily reflect the agreement of individual Study Group members with every point.

The Study Group values greatly the participation and guidance of its Steering Group, composed of senior policymakers and former government officials. The Steering Group believes that this report constitutes a significant contribution to the public understanding of the steps with respect to the peace process that the United States must consider in the aftermath of the Gulf War. However, this report should not be understood necessarily to represent the views of individual Steering Group members on every point.

During its deliberations, the Study Group has benefited greatly from the participation of advisers from the State and Defense Departments who, because of their professional responsibilities, cannot be identified with this report. The Group would like to express its appreciation to all of them for their wise and experienced counsel.

Special thanks are due to the Lynde and Harry Bradley Foundation of Milwaukee, which has provided generous support for the efforts of The Washington Institute's Strategic Study Group.

The opinions expressed in this report have not been endorsed by and should not be taken as representing the views of the Bradley Foundation or the Board of Trustees of The Washington Institute.

The Strategic Study Group would also like to acknowledge the invaluable assistance provided by Carole Stern, Adam Petricoff, David Kaye, and the rest of the staff of The Washington Institute in organizing the meetings, reports, and publications of the Study Group.

EXECUTIVE SUMMARY

The end of the Cold War has created a unique opportunity to promote a comprehensive peace settlement between the Arabs and Israel. American interests are still vitally engaged in this troubled region and lasting Arab-Israeli agreements can help to protect and promote them. With the next administration inevitably preoccupied with domestic affairs, a way must be found to pursue this historic opportunity for peacemaking in the Middle East.

STRATEGIC CHANGE

The demise of the Soviet Union and the destruction of Iraq's offensive capabilities in the Gulf War have broken the back of the "Rejectionist Front" so instrumental in preventing progress in the peace process since the early 1980s. The most powerful Arab forces once opposed to peace are either defeated (Iraq), discredited (the PLO) or unable to count on previous strong Soviet support (Syria). This has created the most favorable regional and international environment for Arab-Israeli peacemaking in living memory.

The Madrid peace conference last October was its first fruit; the Israeli election results its first harvest. There is now agreement between Israel and all its Arab neighbors on the modalities of direct negotiations based on UNSC Resolutions 242 and 338. The thorny problem of Palestinian representation in the negotiations has been resolved. And a new Israeli government has been elected with a mandate to pursue peace and re-organize the nation's priorities away from settling the West Bank and Gaza.

The next administration will therefore inherit an ongoing negotiation in which its Israeli ally is poised to take the initiative. However, certain regional factors could disrupt United States diplomacy. Saddam Hussein's survival places a question mark over whether an environment conducive to peace talks will last. The United States also lacks a constructive relationship with Iran, whose support of Hezbollah's terrorist activities can be a potent source of trouble for negotiations. If the next administration allows a new "Rejectionist Front" to be created out of the ashes of the old, the opportunity to resolve the Arab-Israeli conflict will be lost.

THE ISRAEL-SYRIA-LEBANON NEGOTIATIONS

Both Syria and Israel approach their bilateral negotiations conscious that they actually involve three fronts: the Golan, Lebanon and the Jordanian-Palestinian negotiations. The U.S. will also need to approach the Syrian-Israeli negotiations with its Lebanese and Palestinian dimensions in mind.

The Syrian Outlook

Under Hafez al-Assad, Syria has acquired a reputation for tactical flexibility and strategic constancy. The Alawite regime under Assad's leadership has employed every brutality necessary to remain in power. It has preached a nationalistic vision: the "restoration" of a greater Syria that encompasses Lebanon and Palestine.

Assad approaches negotiations with Israel as a consolidation of his turn to the United States, itself a product of his loss of Soviet patronage. At the same time, he has not yielded his previous objectives of either a Greater Syria or a military capability able to inflict heavy casualties on Israel. Syria continues to procure advanced Scud missiles, chemical weapons, and frontline tanks and aircraft.

Throughout the negotiations, Assad will:

- demand full Israeli withdrawal from the Golan;
- press for full Israeli withdrawal from its security zone in Lebanon;
- oppose any separate Israeli deal with the Palestinians or Jordan;
- seek concrete U.S. rewards.

Assad brings three special qualities to the negotiations:

- a unique negotiating style that seeks to guarantee the result before negotiations begin;
- a strong rivalry with Egypt that will lead him to demand at least as much as Egypt received in its negotiations with Israel, and offer less than Egypt conceded; and
- a record of reliability where his interests are clearly defined.

The Israeli Perspective

Israel has several very concrete interests at stake in the Golan and Lebanon:

- the security of its northern communities;
- control of headwaters of the Jordan River, Israel's vital water reservoir;
- effective deterrence of Syria because of the threat to Damascus from Israeli positions on the Golan; and
- intelligence and early warning from vantage points on the Hermon range.

At the same time, reaching an agreement on the Golan could also serve the strategic objective of neutralizing Israel's most dangerous Arab foe while strengthening security ties with the U.S.

Lebanon's Objectives

The peace process offers Lebanon an opportunity to improve its standing internationally and restore at least some of its sovereignty

and independence. Dominated by Syria, the Lebanese government is playing a weak hand. It will rely on the U.S. and Syria to demand an Israeli withdrawal from southern Lebanon and the U.S. and Israel to insist on a Syrian withdrawal from the rest of its territory.

Israel, Jordan and Palestinian Self-Government

By accepting the framework of negotiations for "interim self-government," the Palestinians, Israel and Jordan are engaged in negotiating pragmatic arrangements that fall far short of their professed ideals but have the significant benefit of constituting an improvement over the status quo.

The Palestinian Position

Since they are the weakest party, furthest from their goals and suffering most from the status quo, the Palestinians would seem to have the most to gain from progress. Nonetheless, the Palestinians have chosen to focus on a comprehensive and unattainable plan that sets forth predictable and far-reaching principles of sovereignty including Palestinian statehood, a PLO role, the right of return, and inclusion of East Jerusalem as the projected capital of the Palestinian entity.

The Jordanian Position

Jordan may be able to achieve some role—if limited—in the West Bank once more as part of an interim agreement. Three factors are prominent:

1. King Hussein feels he is supremely qualified to play the role of an Arab leader and that to retain power he must use that role to influence Palestinian self-government.
2. The King must deal with a restive Palestinian population only supportive of Jordan's participation to the extent the King helps secure an independent Palestinian state, as well as an Islamic fundamentalist opposition that rejects the peace process completely.
3. Due to Jordan's lack of natural resources and poor economy, Jordan is vulnerable to its immediate neighbors who are all more powerful militarily than Jordan can ever be.

Israeli Choices

Although the Gulf War eliminated, for the time being, Israel's most dangerous military threat, and the *intifada* is waning, Israel seeks an alternative to its unwanted and unwelcome rule over West Bank and Gaza Palestinians. Israel's choice is not just whether to advance the concept of Palestinian self-government, one it invented, but how to define its particulars. This is where the risks begin. Israel has four requirements in this process:

• *U.S.-Israel relations*
As U.S.-Israel relations have undergone difficult times, Israel requires confidence in its relationship with the United States in order to continue its path towards negotiations.

• *Security dilemmas*
Israel must retain defensive depth, including demilitarization and control of certain areas to maintain the safety of its citizens and settlements.

• *Political evolution*
Because a Palestinian state is viewed as a security threat by the majority of Israelis, there is a common concern to ensure that self-government arrangements actually foreclose the possibility of Palestinian statehood.

• *"Linkage" between the two tracks*
Because Israel is negotiating on two tracks (Arab states-Israel; Israel-Palestinians) simultaneously, it will have to decide whether to accept or resist linkage of self-government to progress in negotiations with the Arab states. To press ahead with self-government could lead to a loss of tangible control in the territories without a reduction in Arab hostility. But to link self-government to progress on the Arab state track could delay negotiations with the Palestinians.

Overall, Israel will continue to insist on exclusive power over foreign policy and security and jurisdiction over Israeli citizens in the territories during the interim period of self-government. And it will exclude Jerusalem from the self-government arrangements.

The Multilateral Negotiations

By bringing together Israel, her Arab neighbors and the Arab states in the Gulf and the Maghreb to discuss regional issues, the multilateral negotiations provide an opportunity to develop a common vision of peace while creating concrete confidence building measures to engender security.

Two key areas the multilateral agenda will focus on are economic development and arms control. The economic talks can generate incentives for the peacemakers. The arms control talks can produce confidence-building measures to enhance security arrangements.

The American Approach

I. The Overall U.S. Approach
American policy has successfully fostered the first steps of a renewed peace process: the parties to the Arab-Israeli conflict are now negotiating together on the basis of an agreed set of ground rules. The American task for the next stage is to maintain a

conducive environment for negotiations while simultaneously promoting the real business of deal-making among the parties. For that to occur, both Israel and the Arab negotiators must see above all a compelling common interest.

The United States should not be any more anxious to reach an agreement than the parties themselves. Instead the appropriate role for the next administration is to:

- help identify the common interests;
- reduce the risks of deal-making for the parties; and
- help protect the results.

The next administration in Washington will confront an elaborate series of interlocking negotiations which contain conflicting and overlapping interests for all the parties. The number of negotiators and the complex relations among the parties present problems of linkage and sequencing. The best approach to this tangle is for Washington to identify where overlapping interests render a conflict "ripe" for resolution. The U.S. should not restrain potential progress in one area because the parties are laggard in another. Rather it should promote progress wherever possible, using movement on one track to generate movement on the other.

II. America's "special relationship" with Israel

U.S. relations with Israel have always been a compound of shared democratic values, moral commitments and strategic value. But as they contemplate a new partnership in pursuing peace, the end of the Cold War and the results of the Gulf War have changed the international and regional environments and may generate pressure for change in U.S.-Israel relations.

The Study Group recognizes that U.S.-Israel relations will be affected by the end of the Cold War. Yet, a strong U.S.-Israeli relationship remains essential to American interests:

- the United States still needs powerful and reliable local military allies.
- Israel's ability to deter hostile regimes (Syria, Iraq and Iran) maintains stability and serves American interests.
- any agreements in the peace process would necessarily entail considerable risk that no Israeli government would contemplate without confidence in its security relationship with Washington.

The Study Group views U.S.-Israeli relations as a "two-way street." Therefore, the Study Group recommends that:

- U.S. policy should make clear that its aim is not a U.S. deal imposed on Israel, but rather an Arab-Israeli deal underwritten by a confident U.S.-Israeli relationship.
- U.S. policy should be to encourage Israel to take the risks for peace, secure in the knowledge that it would not be taking risks alone, without dependable U.S. backing.

- the totality of bilateral relations, especially humanitarian projects like immigrant absorption, should not be held hostage to the peace process.

III. U.S.-Arab Relations

U.S. relations with the Arab parties to the negotiations depend above all on a sustained American commitment to promote peace. Their preference is for a peace imposed on Israel. Our preference must be for a stable and lasting peace. This can only be achieved if the Arabs are prepared to indicate by word and deed their desire for real peace with Israel and their willingness to take its security concerns seriously. If they do so, they should find a ready partner in Washington.

With respect to the Palestinians, the U.S. challenge is to reinforce the authority of the Palestinian negotiators while persuading them to adopt a realistic and pragmatic approach to negotiations over interim self-government. The U.S. must tread a narrow path, neither becoming the delegation's patron nor assisting Arafat and the PLO to insert themselves in the negotiations. Building up the Palestinians' authority will come instead from:

- convincing Palestinians to negotiate seriously for an interim agreement while deferring their aspirations for statehood; and

- persuading both the Palestinians and the Israelis to improve the situation on the ground even as negotiations proceed.

With respect to the Syrians, the U.S. challenge is to make clear that the door is open to a serious negotiation with Israel and that the only alternative is not war or obstruction of progress on the Palestinian front, but rather a deepening isolation and frustration of Syrian aims.

At the same time, the United States must pay attention to regional developments in the balance of power. If a new "Rejectionist Front" is forged between Syria, Iran and Iraq, Damascus will have developed an alternative to ending the conflict with Israel.

SPECIFIC PEACEMAKING RECOMMENDATIONS:

Specifically, the United States should consider the following:

On the Israel-Syrian front: The United States should promote a Golan II-type interim disengagement that would involve some reduction in Israeli and Syrian deployments, building confidence in each side's motives. This would require a territorial component (a minor or symbolic Israeli withdrawal) and a political component (a Syrian commitment to ending the conflict and non-resort to use of force).

If an interim agreement proves unfeasible, a long-term Israeli lease of the Golan could be explored. Under such arrangements, formal

sovereignty might over time be returned to Syria but an Israeli presence would remain.

American negotiators, however, should remember that U.S. interests in stability will be undermined if they seek an Israeli withdrawal short of a serious and testable commitment from Syria to end the conflict and enter into a full-fledged peace treaty with Israel.

On the Israel-Lebanon front: The United States should look at the negotiations as both a confidence-builder for Israel and Syria and a way to help the Lebanese recover independence. The United States should encourage the removal of all foreign forces, including Syrian troops; strengthen control over terrorist groups operating in Lebanon; and promote a binding Israel-Lebanon peace treaty and a secure border.

On the Israeli-Palestinian-Jordanian front: The U.S. should approach these negotiations as a complex jigsaw puzzle in which the pieces that fit together quickly and easily are assembled first even as the parties ponder the placement of the more difficult pieces.

The U.S. can make several practical suggestions as the parties seek to define the nature and scope of self-government:

1. Avoid symbols where possible and concentrate on the actual exchanged powers to be exercised by the Palestinians, those to be shared with Israel or Jordan and those Israel will reserve for itself.
2. Agreement should be reached quickly on certain powers and the Palestinians should begin to exercise them even before total agreement is reached.
3. Jordan should be drawn into specific areas where it can make a contribution, such as trade, commerce and external and internal security.
4. The critical issue of control over land and water resources might be resolved by resort to the Begin-Sharon formula of 1982—a mutual veto over the development of future land and water resources.
5. Arrangements for self-government will inevitably affect Israeli settlement activity in the territories. The issue should be resolved between Israel and the Palestinians in these negotiations rather than between the U.S. and Israel in their bilateral relations.

On the Multilateral front: The United States should seek to focus on the economic consequences of peace, a broader plan for the rapid growth of Middle Eastern economies, arms control for the region that restricts weapons of mass destruction, missile proliferation, conventional arms and massive standing forces configured for offensive action.

Several areas of economic significance for all parties are ready for immediate discussion and action:

- Water sharing and expansion;
- Pollution in the Gulf of Aqaba;
- Air traffic control procedures for civilian overflights;
- Electricity load-sharing; and
- Fiber optic cables.

GENERAL RECOMMENDATIONS:

1. U.S. policy toward the Arab-Israeli peace negotiations should be consistent with broader U.S. policy toward the region, such that each policy dimension reinforces the other.

2. The maintenance of a favorable political environment for the peace negotiations will depend on the success or failure of U.S. policies elsewhere in the region—especially in the Gulf.

3. Advances in the peace process will require a deepened confidence and coordination between Israel and the U.S.

4. The U.S. retains important allies in Egypt and Saudi Arabia that, together with Israel and Turkey, give it the preponderance of power in the region. Relations with these states, if managed properly, can contain Syria and oblige it to accommodate to the policies of this U.S.-led coalition. The Palestinians will also have an incentive to participate in an agreement supported by these parties.

5. The U.S. should act as a catalyst in the negotiations by identifying common interests and encouraging the parties to move to bridgeable positions where the U.S might then offer compromise proposals or assurances that reduce the risk.

6. The peace process also requires some multilateral arrangements and protection. Europe, Japan and other countries in the area can offer important political and financial incentives for progress.

7. Finally, while the Arab-Israeli conflict and the Middle East as a whole are no longer the likely scene of superpower confrontation, U.S. interests and values are still vitally engaged. To make these values and interests more secure at lower levels of risk to ourselves and our allies must be the fundamental objective of U.S. policy in the years ahead. Pursuing Middle East peace is an essential method for achieving that vital objective.

INTRODUCTION

AMERICAN INTERESTS IN A RENEWED PEACE PROCESS

The year 1991 closed with an American Middle East policy of great ambitions. Following the Gulf War, President Bush and Secretary of State Baker indicated that "business as usual" would no longer be the order of the day. Instead there would be a determined, U.S.-led attempt to create regional security for the Persian Gulf, a negotiated Arab-Israeli peace, new controls on arms transfers to the Middle East, and broader economic development. Clearly, Washington believed that Iraq's defeat coupled with the demise of Soviet power offered a unique opportunity to change the balance of forces in the region toward peace and away from conflict and the Bush Administration appeared ready to exploit it.

The end of the Cold War had already prompted The Washington Institute to establish the Strategic Study Group in June of 1990, its participants drawn from a wide range of scholars, commentators and public figures. The Group's final mission, soon broadened by the crisis in the Persian Gulf, was to develop an American strategy for a region already in the throes of tumultuous change. Its initial report, released on the eve of the war with Iraq, reflected the Group's judgment that a stable balance of power in the Gulf and throughout the region had to be re-established if U.S. interests were to be safeguarded. A second report, issued in June of 1991, focused on regional security, arms control and economic development in the wake of the war. The Group also suggested an additional subject—fostering political change. This final report on Arab-Israeli peacemaking, now completes the work of the Strategic Study Group.

A strategy, as commonly understood, requires a justifiable, coherent purpose, around which a wide variety of political, economic and military actions can be organized. As applied to the Middle East, the Strategic Study Group has had to wrestle with two paramount issues: 1) Why should the U.S. bother to do much of anything, now that the long-term Soviet threat is gone and the short-term Iraqi threat is demolished? 2) If the U.S. should act, then what sphere of action deserves priority?

The first question—why bother?—has been given additional force because the U.S. government's attention is urgently required elsewhere, whether in dealing with the successor states to the Soviet Union or vital trade issues in Asia and Europe. Moreover, American domestic problems are now taking priority over many foreign policy issues. It thus seems a particularly awkward moment to devote American energy and resources to the Middle East.

While it may indeed be awkward for the United States to act in the Middle East, it is still necessary. Vital American interests endure, safer for the moment but not as safe as they would be if the

President's objectives were secured. The U.S. will grow more heavily dependent on Persian Gulf oil. Israel's survival, a bipartisan, decades-old U.S. commitment, will still be at risk in the absence of peace. The danger of future proliferation of nuclear and other weapons of mass destruction has been highlighted by Iraq's quest for the bomb and Iran's current pursuit of the nuclear option, and will persist into the future.

While some members of the Study Group questioned the wisdom of a broad-scale U.S. policy intended to transform the Middle East, all agreed that the opportunity exists to make the region safer for U.S. interests. In the aftermath of Desert Storm, America possessed unique strengths: prestige as the victor in the Gulf; status as sole superpower; an ability to rally an international coalition; and special relationships with key Middle East states, especially Egypt, Israel, Saudi Arabia and Turkey. Given both the collapse of the Soviet threat and the potential of allied and local contributions to the common cause—as evidenced in Desert Storm—the U.S. might be able to do much more than in the past, and at a lower cost. One example: A multilateral coalition of forces both within and without the region may be available to underwrite new Arab-Israeli peace agreements–unlike the Camp David Accords, when the U.S. alone had to pay the price for peace. Nor will the Soviet Union be around to drive up the cost of peace by backing another Arab "Rejectionist Front."

The Study Group, therefore, broadly endorses the concept of the U.S. as a "catalyst," i.e., not the sole force but the moving force that might bring about a more peaceful Middle East and thereby better preserve American interests.

"The fact remains that for U.S. interests to be served, efforts to counter radical threats and promote peace negotiations will have to be pursued simultaneously."

The question of where the United States should focus its efforts remains. For members of the Study Group, this issue was most acute because of the continuing challenge posed by Saddam Hussein's survival and the prolonged, time-consuming efforts needed to get the Madrid peace conference underway. While it would have been preferable to stabilize the Gulf first, the fate of the Iraqi regime should not hold up U.S. efforts to encourage Arab-Israel peacemaking. The fact remains that for U.S. interests to be served, efforts to counter radical threats and promote peace negotiations will have to be pursued simultaneously.

Based on this judgment, the earlier reports specified U.S. actions that would help create changes, or the environment of change, to inaugurate a new era in the Middle East. These actions include:

1. Regional Security

- enhanced U.S. military (naval) presence, prepositioning of supplies, combined exercises;
- U.S. guarantees to Gulf states and greater security cooperation with the GCC;

- reduced conventional arms sales, restricted to systems designed to improve initial defense and facilitate U.S. ability to intervene; and
- strict enforcement of UN resolutions on Iraqi disarmament and inspection.

2. Arms Control
- a special envoy to coordinate efforts;
- strengthened supplier constraints;
- efforts to extend global arms control treaties to the Middle East with particular regard to the chemical weapons convention; and
- regional arms control efforts in the context of Arab-Israeli peace negotiations, especially "confidence-building measures."

3. Economic Development
- alleviating poverty through social and economic reforms, with the emphasis on growth rather than redistribution;
- redirection of funds from military to social programs;
- loan guarantees to finance immigrant absorption in Israel;
- support for politically practical projects, such as the Yarmuk River Dam; and
- enforcement of Iraqi reparations and international costs of humanitarian aid.

4. Fostering Political Change

The Study Group also urged that American policymakers take up the subject of "political change." While not a self-appointed re-maker of Middle East society, the United States does stand for and should promote individual rights and democracy, rare features in a Middle Eastern landscape littered with autocracies and tyrannies. On Kuwait, the group argued that the post-Gulf War regime should make progress towards greater political participation if U.S. interests in a stable and secure system were to be served. As for Iraq, the U.S. must demand unequivocal human rights guarantees for the Iraqi people.

THE STRATEGIC CONTEXT

It is in this overall context of an American role as catalyst to bring about a freer, more secure and prosperous Middle East that the Study Group focused on Arab-Israeli peacemaking. The Study Group was acutely aware that, more often than not, the "Middle East" was synonymous in most people's minds with the Arab-Israeli conflict. However, an American strategy for the Middle East must recognize this conflict as only one dimension of the region.

It is already clear, for example, that the current rounds of Arab-Israeli negotiations are taking place in a rapidly changing strategic environment. Iran is making strenuous efforts to achieve "greater power" status in the Gulf and the wider region. In the Sudan, local

"A U.S. policy toward the Middle East that dealt only with the Arab-Israeli peace process, while ignoring the general balance of power and its implications, or conversely, ignored the peace process and its impact on the balance of power, could not serve overall U.S. strategic goals."

Muslim fundamentalists, sometimes aided by Tehran and international terrorists, are stridently anti-western. And in the Arab Maghreb (especially Algeria), governments have been badly shaken by popular sentiment favoring radical Islamic leadership. These are problems that the Arab-Israeli peace process cannot possibly resolve, but these are also problems that can affect—and be affected by—peace diplomacy.

Thus, a U.S. policy toward the Middle East that dealt only with the Arab-Israeli peace process, while ignoring the general balance of power and its implications, or conversely, ignored the peace process and its impact on the balance of power, could not serve overall U.S. strategic goals.

American interests in settling the Arab-Israeli conflict include promoting the security of Israel, fostering good relations with the Arab states on a reciprocal basis and preventing conflict in a strategically important area. In the broadest sense, a negotiated end to this bitter dispute would demonstrate that international conflicts can be resolved peacefully and with justice. Specifically, the United States has invested both its most solemn commitments and tremendous resources in the decades-long search for a solution. Now a unique opportunity exists for the United States to achieve its objectives, and it should be grasped.

CHAPTER ONE A RENEWED PEACE PROCESS

The renewed Middle East peace process has unfolded in three stages: the Madrid "kick-off" on October 30, 1991; several rounds of bilaterals that began in Madrid and have continued in Washington, and multilateral gatherings in Moscow, Washington, Ottawa, Brussels, Vienna, Tokyo and Lisbon.

Thus far, several long-sought U.S. objectives have been achieved. These include a direct bilateral exchange between Israel and Syria; a partial solution to the vexing problem of Palestinian representation; and a role for various international parties acceptable to all sides. Beyond these achievements, several observations can be made about the politics of the encounter:

1. The American role is paramount. Among the outside parties, the United States clearly carries the greatest weight. The Soviet Union, once the intense focus of conference negotiations, dissolved not long after the process began. The Europeans and Japanese play their part in the multilaterals, clearly auxiliary to the main diplomatic action. By contrast, thus far the UN has been relegated to the role of an observer rather than a participant.

2. The U.S. stresses regional responsibility. Both the President and Secretary of State define the American role as that of catalyst and broker, emphasizing that Washington cannot make a peace that the parties will not make for themselves. As James Baker put it in his closing words to the Madrid conference: "... if you do not seize this historic opportunity, no one will blame anyone outside your region... The continuation and success of this process is in your hands."[1]

3. Israel endorsed the process. The Shamir government insisted on modalities that would ensure direct, bilateral negotiations with Palestinians from the territories and Jordan on one track, with the Arab states on the other track. Once these arrangements had been assured, Prime Minister Shamir invested his own prestige in the process by leading his delegation to the Madrid gathering, despite objections from some members of his coalition and the subsequent collapse of his government over the peace talks. Given the choice in early elections, the Israeli people voted for a Rabin-led, Labor-dominated government committed to pursuing the process begun in Madrid as its first priority.

4. The Palestinians show signs of finding a new voice. Awarded equal billing in Madrid's formal speeches, the Palestinian delegates manifested an initial pragmatism and independence that disturbed both Arafat and Assad. They have found greater difficulty since

[1] Remarks by the Honorable James A. Baker III to the Middle East Peace Conference at the Royal Palace, November 1, 1991, Madrid, Spain. U.S. Department of State, Office of the Assistant Secretary/Spokesman, p. 7.

then in sustaining a coherent approach but the focus remains on them rather than the PLO.

5. The Syrians remain isolated. Syria has failed on several important occasions to determine the behavior of the other Arab participants. The Palestinian-Jordanian delegation met with the Israelis bilaterally at Madrid over Syrian objections; the Syrians refused to attend the multilaterals at all but could not veto the attendance of others, except Lebanon. Thus, while the Syrian "yes" made the initial conference possible, thereby renewing the peace process formally, the Syrian "no" has been less effective than many anticipated.

These largely hopeful developments, however, have been accompanied by ample evidence that predictions of lengthy negotiations were accurate. There is no shortage of invective, procedural tangles and charges of bad faith. Moreover, more serious developments have begun to overshadow the negotiations:

1. The Palestinians want to rewrite the rules. Unhappy with the exclusion of the PLO and residents of Jerusalem, the Palestinian delegates tried first to separate themselves from the Jordanians. This led to the so called "corridor couch" round of bilaterals in December of 1991. In late January 1992 in Moscow, they fielded a delegation in violation of the Madrid rules and did not attend the multilaterals, despite a U.S. concession that Palestinians from outside the territories could attend some future working group discussions. This dispute led to an Israeli boycott of some of the working group meetings in May 1992, when Palestinians from outside the territories joined the joint Palestinian-Jordanian delegation. In the March 1992 Washington round of the bilaterals, they put forward a proposal for self-government that exceeded the bounds of "interim arrangements."

2. The situation on the ground has become more violent. In the territories, along the Israel-Lebanon border and within Israel, the pace and extent of violence has picked up. As a consequence, neither Israel nor the Palestinian delegation can show that the peace process has improved personal security for their respective populations. With the advent of the Rabin Government, factional fighting has also broken out among Palestinians in Gaza nervous about progress in the negotiations.

3. "Off the Table" benefits have not yet materialized. Each of the parties, rightly or wrongly, might reasonably have assumed that the peace process would yield them benefits from the United States or others. But the Shamir government's expectation that a "yes" to U.S. sponsored diplomacy would facilitate loan guarantees to finance the absorption of Jewish immigrants was dashed by U.S. insistence on linking the loan guarantees to a settlements freeze. Syria remains on the State Department's terrorism list. Arafat has not managed to renew his dialogue with the U.S. And both the King of Jordan and the PLO are still cut off from Saudi and Kuwaiti funding.

4. The balance of power in the Gulf remains in contest. Saddam's survival and the absence of any broad Gulf security arrangements leave an unsettled situation made more dangerous by a new arms race. The Rafsanjani government in Iran is now seeking both to improve relations with the West and rebuild its armed forces with advanced weapons including missiles and a nuclear capability. The Gulf Arabs are responding to the new uncertainties by stepping up cooperation with the U.S. while seeking new advanced weapons as well. It is still possible to forge more stable security arrangements, but there is a very real potential that adverse events in the Gulf may once more overshadow Arab-Israeli peacemaking, as they did in 1990-91.

5. U.S.-Israel relations have deteriorated; their improvement may strain U.S.-Arab relations: Since Madrid, the American "hands off" approach has been pursued carefully with one exception—the loan guarantee/settlements freeze dispute. This has damaged the Israeli bargaining position, generated distrust in the relationship, elevated side-disputes into major crises, and helped to raise anew questions about the extent and duration of U.S.-Israel ties in the post-Cold War era.

The newly elected Rabin government is committed to shifting Israeli priorities from settlement construction to immigrant absorption and is keen to coordinate with the U.S. in the peace process. This will generate a rapid improvement in bilateral relations. The loan guarantees are likely to be forthcoming and trust between Washington and Jerusalem, a precondition for successful peacemaking, is likely to be restored. But this may well create an equal and opposite reaction in relations between the U.S. and the Arab negotiating parties. They have had their expectations raised by the strain in U.S.-Israeli relations, seeing it as the one significant benefit from participation in the peace process. And they will be unhappy with the strengthening of Israel that the loan guarantees will produce.

6. American prestige has eroded. President Bush's declining domestic political popularity and the prickly survival of Saddam Hussein have lowered regional assessments of America's capacity to produce results. While it is still true that none of the parties wishes to incur American displeasure withdrawing from the peace process, the U.S. itself has distinctly less prestige today than when the Madrid conference convened last October. Most importantly, popular American reaction against further foreign commitments, including the commitment of the President's attention, raises the issue of whether the U.S. can provide additional "impetus" until the current election campaign is over. Should the elections produce a change in administrations, the hiatus may be more extended as a new team decides on it's priorities and approach.

Taken together, these elements have cast a pall over the peace process at the very moment that a change in the Israeli government has reinforced the sense of opportunity that now exists. The history

"A sustained American effort, if most of the parties are truly serious about peace, has greater chances of producing a peace dividend today than at any time since Camp David. This is the challenge that will confront the next administration."

of the Egypt-Israel negotiations, however, reveals that the process can be quite sturdy, surviving war, (Operation Litani 1978), revolution (the Shah's fall in 1979) and even assassinations of key leaders (Sadat in 1981). That will remain the case today as long as the process is based on a triangular foundation of **overlapping interests, a desire to reach agreements, and basic confidence in the mediator.** If the triangle is intact, the process—and the peace it will eventually produce—will be strong enough to resist the twists and turns of Middle Eastern mishaps.

To determine whether in fact that triangle can be constructed, this paper 1) analyzes the strategic changes that offer the peace process its current opportunity; 2) surveys the issues dividing the parties; and 3) suggests ways in which the U.S. can advance the negotiations. It draws upon previous U.S. experience in peacemaking, bearing in mind Henry Kissinger's observation that "the challenge in mediation is to find why an agreed goal can be in the common interest for different purposes."[2] Indeed, this paper assumes that in the absence of such overlapping interests, neither the United States, nor any other power, can "catalyze" a peace. However, it should also be clear that a sustained American effort, if most of the parties are truly serious about peace, has greater chances of producing a peace dividend today than at any time since Camp David. This is the challenge that will confront the next administration.

[2] Henry Kissinger, *Years of Upheaval*, (Little Brown, 1982), p. 1056

CHAPTER TWO STRATEGIC CHANGE

The most important recent changes affecting the Arab-Israeli conflict can be stated simply: The most powerful Arab forces once opposed to a peace process are either defeated (Iraq), discredited (the PLO) or unable to count on what had been strong Soviet support to back them up (Syria). The end of the Cold War and the results of the Gulf War have thus led to the complete collapse of the Arab "Rejectionist Front" which was so instrumental in preventing progress in the peace process since the early 1980s.

These dramatic developments can be traced primarily to a single cause: the rapid decline of Soviet power as Moscow's domestic crisis worsened through the latter half of the 1980s, culminating in the demise of the Soviet Union in late 1991. By strategic default, the United States has again come to hold "99 percent of the cards," as Sadat used to say.

The impact of Moscow's growing weakness can be seen in three major developments: Soviet Jewish immigration to Israel; Syria's turn westward; and Iraq's seizure of Kuwait. As the Soviets became increasingly anxious to improve relations with the United States, Gorbachev moved to alleviate various humanitarian issues. He gradually allowed a flood of Jewish departures, some 400,000 of whom migrated to Israel, dramatically improving Israel's demography and providing a potential pool of highly-skilled labor that, with the necessary capital, could generate an economic "take-off."

The Arabs in general were disappointed and then alarmed by this reinforcement of Israel where she needed it most. But two states, Moscow's "half-allies," were affected even more so. Syria had sought strategic parity with Israel, especially in more advanced arms, following the embarrassments of the 1982 encounter with the Israel Defense Forces in Lebanon. Iraq had counted on Moscow to sustain its military through much of the Iran-Iraq war. In the case of Damascus, Gorbachev's refusal to indulge strategic parity and the shrinkage of Soviet economic aid left Assad with a much less effective superpower patron. In the case of Baghdad, the Kremlin's strategic "re-engagement" with Iran as the first Gulf War wound down signalled to Saddam that Moscow was repositioning itself, perhaps at Iraq's long term expense.

As Soviet power waned, the two Ba'thist regimes drew opposite conclusions. Assad began a slow rapprochement westward marked by modest progress on the hostage issue and terrorism; agreement on the Western-supported Taif Accords in Lebanon; and support for Egypt's return to the Arab League. Finally, the Syrians began to

solicit American investment in the country's oil fields and commerce.

Saddam adopted the opposite tactic. With the Soviets disappearing, he imagined that the Americans would have no strategic reason to fight for the Persian Gulf. Iraq's seizure of Kuwait would show that Iraq was the new superpower in the region. Backed by Kuwaiti spoils, a large army and a growing arsenal of "superweapons," Saddam would organize a new Arab order capable of challenging Israel and the West.

This assessment proved disastrous for Saddam and his fellow travellers on the Kuwaiti adventure—including the Palestinians and Jordan. Soviet weakness did not mean a loss of American will but in fact removed a major obstacle to the use of force by an American-led international coalition. Assad used the ensuing Gulf crisis to accelerate his move westward, strengthened in his view that the American superpower was calling the shots. And, as the post-war diplomacy illustrated, if the United States insisted that the price for better relations was direct negotiations with Israel along lines rejected by Assad in the past, he was ready to change his position.

To sum up: the demise of Soviet power and the defeat of Iraq vastly diminished the Arab "Rejectionist Front," formed after the Camp David Accords to fight the American-led Arab-Israeli peace process. Assad's turn westward, punctuated by his agreement to the U.S. sponsored conference proposal, completed the isolation of the remaining opposition—above all the PLO. This has created the most favorable regional and international environment for the Arab-Israeli peace process in living memory, and the Madrid and Moscow conferences were its first fruit.

Adding up these advantages, however, should not make the United States overconfident. Saddam Hussein's survival and his resistance to U.N. authority raise the question of whether this environment will last. The current test of wills—a kind of broken back warfare (Saddam's back being the broken one)—between the Iraqi ruler and the U.S. could lead to future military action. If Washington cannot prevent Saddam from becoming a threat to his neighbors once more, the peace diplomacy will surely be disturbed. The U.S. also lacks a constructive relationship with Iran, whose support of Hezbollah's military operations against Israel can be a potent source of trouble for the negotiations. And an Iraq that forged a relationship with both Syria and Iran to oppose either negotiations or specific agreements—say, on Palestinian self-government—would create a major obstacle to peace.

The peace negotiations themselves are also characterized by sharply different perspectives among both Arabs and Israelis. Syria, Jordan and the Palestinians are competitors for the rewards that the peace

process might produce. Each is suspicious of the motives of the others and fearful that they will cut separate deals with Israel to advance their particular interests. Egypt could play a useful role as a bridge between an Arab world it now has an opportunity to lead and an Israel with which it already enjoys a peace treaty. But Cairo has so far preferred to minimize the potential strain that the peace process can generate in inter-Arab politics by proceeding at the pace of the slowest party, the Syrians. Similarly, Saudi Arabia has an interest in a peace process, but not a compelling interest in taking great risks for one. Riyadh can facilitate an outcome but has little incentive in supporting a settlement that, like the Camp David Accords, divides the existing Arab consensus.

"What we have is a unique constellation of external and regional support for a U.S.-led Arab-Israeli peace process, agreed ground rules for ongoing negotiations, and a new Israeli government with peacemaking its priority."

Damascus has yet to choose between viewing the peace process as an exercise in buying time, American favor and U.S.-Israel tensions, or an effort to actually end the conflict and make peace with Israel. The Palestinian negotiators face opposition from Hamas fundamentalists in the territories and competition from the Tunis-based PLO that makes it difficult for them to pursue a coherent negotiating strategy.

On the positive side, the Rabin government's emphasis on "territorial compromise" will ease the tensions in the process generated by the previous Likud-led government's opposition to trading "land for peace." Paradoxically, however, Rabin's interest in moving ahead rapidly on the Palestinian self-government front and his freezing of new settlement activity can generate different tensions, this time among the Arabs as they adjust to a more dynamic process.

What we have then is a unique constellation of external and regional support for a U.S.-led Arab-Israeli peace process, agreed ground rules for ongoing negotiations, and a new Israeli government with peacemaking its priority. What we do not have yet—even after several rounds of negotiations—is a sense that the parties have seized upon the common interests that might produce a substantive breakthrough to peace agreements.

The following discussion examines the various negotiations, searching in each case for common interests: It is only on the basis of such an analysis that an effective U.S. strategy may be conceived.

CHAPTER THREE

THE ISRAEL-SYRIA-LEBANON NEGOTIATIONS

The Israeli-Syrian negotiations actually involve three fronts: the Golan Heights, the Israel-Lebanon border and the fate of the Israel-Jordan-Palestinian negotiations. The Syrians are directly involved in the Golan, and also dominate the Lebanese Government, a pattern made crystal clear from Madrid onwards as the Lebanese delegation has stayed close to the Syrian position, refusing to attend the multilateral negotiations and taking its cues on procedural and substantive issues from Damascus. Assad's past championing of Syria as the guardian of Arab interests makes it unlikely that he will agree to less than a "comprehensive peace," i.e., a peace that includes a Palestinian settlement acceptable to Damascus. Furthermore, through his own Palestinian agents (the anti-Arafat groups hosted by Damascus), his newly friendly relations with Arafat and his ability to intimidate Jordan, Assad can exert influence over the Palestinian issue.

Israel, for its part, has come to regard the security problem of its northern border and the Golan Heights as part of the same strategic issue: the danger of terrorist raids from Lebanon and the danger of war with Syria on the Golan and in Lebanon (where Syrian troops are deployed in the Bekaa Valley—gateway both to Damascus and northern Israel). Moreover, Israel is likely to be interested in exploring what trade-offs there might be between the more difficult issues involved in a Palestinian settlement and the deal it might be able to strike with Syria in Lebanon and the Golan.

"While progress on the Palestinian front is important in its own right and because it can help to produce progress on the Syrian front, the Syrian-Israeli negotiation holds strategic weight for American interests."

It would therefore be prudent for the United States to approach the Syrian-Israeli relationship with the Lebanese and Palestinian dimensions in mind if only because both sides will see it that way and calculate accordingly. From an American strategic perspective, it should also be borne in mind that Syrian-Israeli tensions holds a greater danger of war than troubles in the West Bank and Gaza. While progress on the Palestinian front is important in its own right and because it can help to produce progress on the Syrian front, the Syrian-Israeli negotiation holds strategic weight for American interests.

The Syrian Outlook

Under Hafez al-Assad, Syria has acquired a well-justified reputation for tactical flexibility and strategic constancy. The Alawite regime, ruling a disgruntled Sunni majority, has employed every brutality necessary to remain in power. It has preached a nationalist vision: the "restoration" of a greater Syria that encompasses Lebanon and Palestine, both severed from Syria by British and French imperialism following World War I. Syrian military expenditures rank among the highest in the region as the regime has sought the weapons—including poison gas and ballistic missiles—to achieve "strategic parity" with Israel.

In these projects, Assad's reach has often exceeded his grasp. He has endured long periods of isolation in the Arab world for his alliance with Iran in the Iraq-Iran War and earned Saddam Hussein's undying animosity. Until quite recently, Syria's position in Lebanon was contested by nearly everyone. Each Syrian military encounter with Israel, most notably in Lebanon in 1982, has resulted in severe losses and clear defeat.

Nonetheless, Assad has known how to maneuver so that he never had too many determined enemies at once, and could always count on a superpower to bail him out if it came to war. As noted earlier, he repositioned himself in 1988-1990, balancing Soviet weakening with a new relationship with the U.S. and adroitly exploiting the Gulf crisis to elicit large financial gains. Thus afloat, Assad also settled accounts with the remaining Christian holdouts in Lebanon (General Aoun), bloodily establishing Syrian hegemony in Beirut. This has enabled Assad to direct Lebanese government efforts to disarm most of the militias, while selectively violating the Taif Accords where it suited him: specifically by allowing the pro-Iranian, Hezbollah fundamentalists and Palestinian groups responsive to Syria's control, such as the PFLP, to retain their arms.

While clearly unable to match the Israeli military as he once hoped to do, Assad has not reduced his military projects, spending much of his Gulf War dividend on yet more arms purchases, such as advanced Scud missiles, chemical weapons, and frontline tanks and aircraft. The Syrian air force has never done well in battle, but in 1973 and later in 1982, the Syrian infantry were well-led and tenacious.

Assad therefore approaches negotiations with Israel as a consolidation of his turn to the United States without yielding his previous objectives of either a Greater Syria (control over Lebanon, Jordan and the Palestinian issue) or a military capability to inflict heavy casualties on Israel. Israel's occupation of the Golan is a persistent reminder of Syria's military failure in 1973 under Assad's leadership, and it gives Israeli forces a jumping-off point not thirty miles from Damascus—albeit at a heavily fortified distance manned by three-quarters of Syria's military. His negotiators demand total Israeli withdrawal from the Golan, a principle the Syrians insist that Israel must acknowledge before there can be serious discussions of security arrangements and peaceful relations.

As for Lebanon, Assad will press for full Israeli withdrawal from its security zone, relying on his agreement with the Lebanese government to exempt the Syrian army from any reciprocal "foreign forces" withdrawal as stipulated in UNSC Resolution 425. Using the Lebanese government as his screen, the Syrian ruler is unlikely to allow Lebanon to re-subscribe to anything like the

American-brokered 1983 Israel-Lebanon Accord repudiated by Beirut, at Syria's behest, a year later.

On the Palestinian issue, Assad has yet to indicate whether he will consider an Israeli-Palestinian-Jordanian agreement on self-rule as sufficient for him to "make peace" with Israel or to delay that step until after the final status negotiations have concluded. It is clear, however, that the Syrians are moving to reassert Arab unity in the wake of their apparent isolation at Madrid. Assad's friendly overtures to Arafat, *persona non grata* for nearly a decade, indicate his desire to keep the Palestinian negotiation from out-distancing his own. But it remains unclear whether these measures will succeed. At this juncture, Damascus holds in its hand only Palestinian promises not to conclude separate deals. But as the prospect for a Palestinian-Israeli deal improve, with the advent of the Rabin government, nervousness in Damascus about the credibility of these promises is mounting.

From the United States, the Syrians will want concrete changes in their status as a sponsor of terrorism, and expect foreign assistance and foreign investment as the price for both continuing negotiations and any agreement. Assad places great store in commitments made by President Bush and Secretary of State Baker to be the "driving force" in the negotiations and their position that the U.S. does not recognize Israel's annexation of the Golan Heights. Engagement in negotiations on this basis holds out the promise of strained relations between the U.S. and Israel—a development which Assad hopes will weaken Israel's strategic advantage while increasing the pressure on Jerusalem to agree to a territorial withdrawal. But here too, Rabin's victory worries Assad. The new Israeli Prime Minister is committed to the principle of withdrawal, thereby removing a source of tension from the U.S.-Israel relationship. Yet Rabin also insists that Israel's security requires it to stay on the Golan Heights, thereby reducing the prospects of the complete Israeli withdrawal which Assad seeks.

This provides added urgency to Assad's efforts to rebuild a military alternative to a negotiated settlement through arms purchases and the maintenance of his alliance with Iran. And he will also seek a position of influence in a post-Saddam Iraq. Although far from reality at the moment, the development of a Damascus-Baghdad-Tehran axis holds out the hope for Assad of a refurbished "Rejectionist Front."

Assad also brings these other special qualities to a negotiation:

1. ***A unique negotiating style*** that Kissinger described this way: "Most statesmen enter a negotiation in order to crystallize a solution; Assad sought a guarantee of the result before he would begin negotiating."[3] The Bush Administration has already experienced this habit in the run-up to the Madrid conference; Assad can be

[3] Kissinger, *op. cit*, p.973

expected to continually invoke UNSC Resolution 242 and the U.S. position on "territory for peace" as guaranteeing him Israel's tangible withdrawal in return for an as yet undefined and intangible peace. And he will remind U.S. negotiators of America's commitment to a "comprehensive peace" to try and prevent any separate Israeli-Palestinian agreement. Earlier negotiations also suggest that major hurdles for any U.S. negotiators will be: 1) incessant haggling; and 2) careful disguise of the real importance attached to details that are seemingly non-negotiable. Employing these tactics in 1973-75, Assad was able to spring major surprises on the Kissinger shuttles; (e.g. agreeing to the 1973 Geneva conference but not attending it; insisting on a civilian presence in Quneitra but then not establishing one.)

2. ***A strong rivalry with Egypt.*** Assad can be expected to demand at least as much as Egypt received in the negotiations with Israel on territory (i.e. complete withdrawal) and will certainly offer less in the way of peace. If Syria, though weaker than Egypt, can do better (or at least equal) for less, then Damascus can retain its nationalist credentials while asserting a strong claim of Arab leadership. Not least, this will strengthen his domestic prestige and position, especially if the process pays off in Western economic assistance.

3. ***A record of reliability where interests are clearly defined.*** While Assad has often depicted Syria as Israel's most dangerous opponent, he has been able to keep *de facto* or even *de jure* arrangements with Israel for very long periods without incident. These include elaborate formal "red lines" on the Golan and informal "red lines" in Lebanon. According to Israel's new Prime Minister Yitzhak Rabin, who as Defense Minister developed the tacit understanding with Syria in Lebanon, these include Syria's ground deployment; surface to air missiles; combat patrols; tolerance of the Israeli "security zone" in the south; and the South Lebanon army's control of the Jezzin enclosure.[4]

The Israeli Perspective

The Syrians are regarded by the vast majority of Israelis as the most tenacious and dangerous of their enemies. Iraq's defeat also leaves Damascus as the most threatening of Israel's neighbors because of its Scuds, chemical weapons capability and support for terrorism. Finally, most Israelis do not judge Syria's professed commitment to a "comprehensive peace" as worth the risks of leaving the Golan Heights—the new Israeli government, like its predecessor, insists on a strong Israeli military and civilian presence there.[5]

Israel has several very concrete interests at stake in the Golan and Lebanon. These include:

---

[4] See *The Jerusalem Post*, May 21, 1991

[5] A very large majority of the Knesset reiterated this position in a resolution passed on November 12, 1991.

1. the security of Israel's northern communities in the Galilee and the Hula Valley;

2. control of the headwaters of the Jordan River, located in the Heights and security for the Sea of Galilee, Israel's vital water reservoir;

3. effective deterrence of Syria because Israeli positions on the Golan threaten Damascus; and

4. intelligence and early warning from vantage points on the Hermon range. These are of particular advantage because of Israel's military reserve system: its reliance on forewarning and rapid mobilization of reserve reinforcements, rather than large standing forces.

A further Israeli stake may be found in Lebanon itself. The 1982 war taught Israel that it could not remake Lebanon based primarily on the Christian community and the thwarting of Syrian designs on Lebanon. Since then, successive governments have defined Israel's interests in strict security terms: security for its northern border based on a "security zone" concept, enforced by both Israeli troops when needed and a local balance of forces. Thus far, these arrangements have been sustained despite growing Syrian influence in Beirut and the various ethnic and religious divisions of the country.

Red lines in Lebanon notwithstanding, the implementation of the Taif Accords leaves little doubt that the Syrians can trouble Israel through Shi'i and Palestinian proxies in the South while remaining relatively immune to retaliation. Israel will be anxious therefore to diminish Syrian control over Lebanon as part of a "security package" for her entire northern frontier while securing a Syrian commitment to prevent any cross-border activities. Beyond this, Israel will also insist that if its forces are to be withdrawn, so too must Syrian and **all** foreign forces because of the dangers otherwise posed to Israel's north. There is a link here to the Golan negotiations as well because Israel is unlikely to agree to any troop reductions on the Golan while Syrian forces remain in Lebanon's Bekaa Valley.

The Israelis also have a strong political purpose in reviving at least the substance of the repudiated 1983 Peace Treaty with Lebanon: to duplicate the peace pattern established with Egypt; to find a symbol of Lebanese independence from Syria; and to hold the U.S., as broker of the original deal, to its stated purpose of the withdrawal of all foreign forces, including Syria's.

Beyond these points, a negotiation with Syria could serve a larger Israeli strategic purpose. An agreement on the Golan could duplicate

Begin's earlier achievement with Egypt: minimizing Israel's most dangerous Arab foe (Syria) while still remaining in control of the West Bank. Begin too began by insisting on a security presence in Sinai but he ended with an elaborate security regime because that was the only way he could achieve a "real peace" with Egypt while still maintaining the Israeli presence in the territories. Rabin has not yet had to face this choice, but the negotiations are designed so that Israel may be discussing "final status" on the Golan and in Lebanon long before final status negotiations with the Palestinians. For him to repeat Begin's achievement, it will be necessary to ensure—as Begin did through Sadat's agreement to the autonomy framework—that the Syrians accept Palestinian self-rule, i.e., do not oppose it politically, or try to sabotage it through terrorism.

Just as Syria will be seeking to enlarge its opening (and its legitimacy) in Washington, Israel will be searching for reaffirmation of its status as strategic ally and friend. In the post-Cold War world, Israel will be more nervous than usual about its relations with Washington, its future importance in the scheme of things and its vulnerability to American pressure given its need for assistance in the massive task of immigrant absorption. Because U.S. positions on the territorial dimensions of a settlement are generally closer to the Arab positions, Israel will be particularly sensitive to any American shift from the role of "honest broker" to the advancing of its own ideas for a settlement. At Madrid, both President Bush and Secretary of State Baker took pains to emphasize a U.S. role—at least in this early stage—that fit Israel's concept of a mediator. But Israel saw in the U.S. insistence on Washington as the venue for subsequent bilateral talks an indication of a different U.S. role—i.e. siding with the Arabs and pressing Israel to accede. The Shamir government delayed its arrival in Washington for the second round of bilateral negotiations in December 1991 by five days to register its objection and insisted that the U.S. abstain from involvement in the substance of negotiations. Rabin, however, will deal with this problem in the opposite way, seeking close coordination with the U.S. on substantive issues to persuade Washington to side with Israel and press the Arabs to accede.

"To make peace, both sides will have to make tangible concessions. But Israel's concessions will involve considerable risks in an environment where its security margins are already very narrow. It will only take such risks if it is confident in its relationship with the U.S."

Rabin's approach should help to restore trust to the U.S.-Israel relationship, which will be essential to overcome the predictable diplomatic struggles over long-held U.S.-Israeli divergences. And restored trust will also improve the chances for peace arrangements. To make peace, both sides will have to make tangible concessions. But Israel's concessions will involve considerable risks in an environment where its security margins are already very narrow. It will only take such risks if it is confident in its relationship with the U.S.

Lebanon's Objectives

The government of Elias Hrawi, created by the Taif Accords, has been markedly successful thus far in extending its authority—where it has been backed by the full force of Syrian troops. Lebanon's devastating civil war has abated in Beirut and other areas. Lebanon, however, is already suffering from a heavy Syrian hand. The exemptions granted the Hezbollah, the Iranian Revolutionary Guard, and Assad's Palestinian adherents (Jibril's PFLP-General Command and Hawatmeh's DFLP) reveal in stark terms that even on the critical subject of the militias, Syrian *realpolitik* dominates.

Similarly, the Lebanese-Syrian Treaty of Brotherhood, Cooperation and Coordination, while recognizing Lebanon's separate status, provides for security and economic coordination that can be invoked at any time by Damascus to justify and legitimize its continued intervention in Lebanese affairs and its continued troop presence. It remains to be seen as well whether Syrian withdrawal to the Bekaa will take place this fall as called for in the Taif Accords or if Syria will withdraw from the country altogether as a "foreign force" under UNSC Resolution 425.

Lebanese factions which oppose Syrian domination—Druze and Christian—are increasingly unhappy with the direction of events. Most Lebanese, however, seem to see the execution of the Taif Accords as preferable to a renewal of warfare. Others hope for a free election at some point, when, after Syrian withdrawal to the Bekaa, 60 percent of the population will no longer be under direct Syrian control (which is why Damascus wants elections to be held before withdrawal).

The Hrawi Presidency has also been damaged by economic mishap, most of it caused by Syrian refusal to permit tax collections which would strengthen the independence of the Lebanese government and Syrian insistence on higher Lebanese government spending on pro-Syrian groups. The Syrian-inspired economic collapse led to riotous protest and the fall of Premier Karami's government. The Lebanese situation remains volatile and the Lebanese government weak and fractious.

The peace process offers President Hrawi an opportunity to improve his standing both domestically and internationally. Lebanon will therefore have to convince the U.S. that its positions are "genuine," i.e., not just Lebanese mouths uttering Syrian demands. Simultaneously, however, a Lebanese administration existing on Syrian support, can hardly afford to defy Damascus. A series of hurdles will challenge Lebanon's ability to act: 1) keeping UNSC Resolution 425 separate from other negotiations and applying it to Syria as well as Israel; 2) the fate of the southern security zone and the Lebanese Army's true capability to take control there; and 3) the

Lebanese definition of "peace" and the Lebanese government's attitude toward the substance if not the letter of the 1983 Accord, repudiated in 1984 under Syrian pressure. Playing a weak hand, the Lebanese can be expected to rely on the U.S. and Syria to insist on an Israeli withdrawal while relying on the U.S. and Israel to insist on a Syrian withdrawal.

The Bilateral Negotiations

So far, Israel has engaged with Lebanon and Syria in five rounds of direct, bilateral negotiations. Progress has been limited, measured in inches rather than miles. The Israeli-Lebanese negotiations have exhibited a warm atmosphere as the sides grapple with divergent positions. Israel has declared that it has no territorial claims and is prepared to withdraw to the border when its security is assured. Lebanese delegates insist that negotiations proceed on the basis of UNSC Resolution 425, which requires Israeli withdrawal but not to "secure and recognized borders"—two stipulations found in UNSC 242. The Israeli-Lebanon transaction remains clearly dependent on a Syrian signal that Lebanon is free to agree to a peace treaty with Israel.

The major achievement in the Israeli-Syrian negotiations is the fact that they are talking, albeit in a very frosty atmosphere. Both sides have been able to lay out in great detail their respective grievances and explain their understandings of the territorial, security and peace requirements of the negotiations. Syria has at least begun to formulate its positions on peace a little differently and Israel has not ruled out a discussion of territorial issues. But, so far, Syria has not been prepared to spell out its conception of peace and security for Israel and Israel has been unwilling to commit to territorial withdrawal. Similarly, repeated Israeli efforts to engage the Syrians in private, exploratory discussions, away from the table have not yet borne fruit, despite the encouragement of the United State Nevertheless, the negotiations have served to identify the areas of interest: Israel seeks peace, Syria seeks withdrawal, both seek security. The challenge for American diplomacy is to find where these interests overlap and convert them into negotiated agreements.

CHAPTER FOUR

ISRAEL, JORDAN AND PALESTINIAN SELF-GOVERNMENT

At Madrid, the Palestinian delegation surprised everyone with a pragmatic approach, less visible in the rhetoric of the formal speeches than in its willingness to engage Israel quickly on both procedure and substance. As noted earlier, the Palestinians, with Saudi support and at American urging, were able to resist Syrian pressure on the timing and location of the bilaterals. This was only the beginning of a hard road, yet the delegation, consisting entirely of West Bank and Gazan personalities, and advised by a group also from the territories, passed the initial test: it was representative of the territories and not simply a PLO front.

"The issue therefore is not whether self-government achieves the ideal but rather whether it meets the practical test for which the parties will give their consent: is it better than the status quo?"

By accepting the framework of negotiations for an "interim self-government," the Palestinians—and Israel and Jordan—will be discussing pragmatic arrangements that fall far short of their professed political ideals. It should be clear from the outset that self-government (autonomy) for the Palestinians cannot satisfy the ultimate aspirations of any of the parties. By definition, self-government (autonomy) is a concept of limits. It will not be a full-fledged international citizen—a state. Nor will it be a domesticated animal that is fully part of another state's laws. Those who aspire to extend, reclaim, or establish sovereignty over the areas in question will never find complete satisfaction in self-government.

But if self-government is deficient, judged against the ideal for Israel, Jordan and the Palestinians, it is no more deficient than the status quo. None of the parties contesting control over the West Bank and Gaza is going to achieve its ideals in the foreseeable future. The issue therefore is not whether self-government achieves the ideal but rather whether it meets the practical test for which the parties will give their consent: is it better than the status quo?

THE PALESTINIAN POSITION

This test must be passed first with the Palestinians. They are the weakest party, the party furthest from the ideal and suffering the most from the status quo. Reeling from the double strains of the *intifada* and the Gulf War, they would seem to have the most to gain from self-government and the most to lose if negotiations fail. Yet the emotional barriers to a pragmatic Palestinian approach cannot be underestimated. The Palestinians believe that they were turned from a majority to a minority in their own country in less than a lifetime; that their Arab brothers failed to rescue them and often exploited their misery; and that the United States, in particular, has allowed Israel to deny them elementary material and human rights. This sense of historic wrong and oppression has only been deepened by recent events. The *intifada* has cost over 1400 lives (900 killed by Israeli forces and 500 killed by Palestinians themselves) yet has not brought about an Israeli retreat. An alliance with Saddam seemed an

opportunity to threaten Israel militarily and to protest a perceived double-standard; instead it resulted in the devastation of the Palestinian community in Kuwait, a further alienation from Western sympathies and widespread loss of support throughout the Gulf—the great financial pillar of the Palestinian struggle.

While unified in their sense of common victimization, the Palestinians have found political unity elusive. Violent personal rivalries and shifting alliances have marked their political history. Another constraint has been the manipulative influence of various Arab states, each of whom–Egypt, Syria, Iraq, Saudi Arabia, Jordan–have attempted to capture all or part of the Palestinian cause for its own purposes. The Palestinians are also divided by their location and experience: those in exile scattered around the Middle East; those who came under Israeli rule in 1967, commonly called the "insiders;" and the refugees among the insiders, over half the population of Gaza and over 30 percent in the West Bank, who still live in camps. While nearly all of the Palestinians profess a desire for an independent state in all or part of Palestine, both location and experience have bred differences. The inside leadership has been quick to approve the "two-state" solution which would grant them independence, while the refugees and "outsiders"—including the traditional PLO leadership—hold a territorial claim to pre-1967 Israel that cannot be settled by Palestinian self-government in the post-1967 West Bank.

Except for a few occasions when the "insiders" prevailed on tactical issues, such as municipal elections in 1976, the PLO and its factions provided the Palestinians under occupation what leadership they had until late 1987. But the *intifada* was purely a product of the "inside" and raised the issue of whether those bearing the heaviest burden of the struggle should not also assume more of a role in the diplomacy that might end or at least ease the conflict. And the "insiders," including a new group of young leaders raised to power by virtue of their role in the *intifada* did make a mark. In the U.S.-sponsored diplomacy of 1989, which broke down over the issue of Palestinian representation, the PLO seemed prepared to let the insiders take the initial steps.

This tendency was given additional force after the Gulf War. While Iraq's cause had been popular in the territories, the PLO's support for the Iraqi invasion of Kuwait was regarded as disastrous, bolstering the case for "new blood" and "new concepts."[6] Eventually, the PLO was forced to allow a strictly insider delegation to appear at Madrid,

---

[6] One idea hotly discussed was to run elections that would enlarge the role of insiders in the Palestine National Council, to be followed by an agreement with Jordan on confederation, even before negotiating with Israel. See, for example, Radi Jerrai in *al-Fajr* (a Palestinian English weekly published in Jerusalem), April 1, 1991, p. 4 and others. See also *al-Fajr*, April 8, 22 and 28.

free of PLO symbols and with Arafat carefully circumscribing his role.

The "insiders," however, have found it difficult to expand their authority and their opportunities. The delegation itself has proved unwieldy and quarrelsome while the PLO has persistently sought to inject itself into the negotiations. Unrealistic expectations of rapid progress at Israel's expense and increasing violence on the ground have raised questions as to whether the delegation can actually negotiate at all. A three-way negotiation will persist and intensify: Palestinian-Israeli; Palestinian-Jordanian (and other Arabs); and inside-outside. Arafat's quest for renewed respectability and control may make him less cautious about advertising his influence if he succeeds in once more restoring his Arab support. And at critical points, there will probably be a real clash over the compromises needed for agreement with Israel. The very prospect of a serious negotiation with the new Israeli government has already generated a violent conflict between Palestinian factions in Gaza. Finally, the Palestinians have reason to fear that the Arab states, once they are into serious diplomacy, will reach their own deals with Israel, leaving the Palestinians without leverage and without prospects.

One can detect a prolonged battle between the emphasis on organization and the need for symbols. De facto chief "inside" interlocutor Faisal Husseini's account of one of his meetings with Secretary of State James Baker illustrates the point: "James Baker said to us, 'You will obtain a little less than a state and more than autonomy.' We replied, 'We don't want to exchange slogans, but to discuss the substance. This entity you refer to, will it be able to apply the right of return for the Palestinians scattered and persecuted around the world? If so, we can talk'. . . "[7] If Husseini's approach is compared to the Begin government's original 1977 proposal for a joint Israeli-Palestinian-Jordanian Committee to regulate the return of refugees to the territories, one can see the makings of a practical negotiation over even this sensitive issue.

Thus far, however, under pressure to invoke the symbols of Palestinian nationalism, the Palestinians have chosen to focus on a plan that avoids the many overlapping interests with Israel and puts forward instead ideas that would imbue self-government with sovereignty. These points are paramount in the two plans and subsequent proposals submitted by the Palestinian delegation in Washington in rounds two, three and four:[8]

---

[7] Interview, *Journal of Palestine Studies,* Vol. XX, No. 4, Summer 1991, p. 107.

[8] See Harvey Sicherman, *Palestinian Self-Government (Autonomy): Its Past and Its Future* Policy Paper No. 27. (Washington, D.C.: The Washington Institute for Near East Policy, 1991) for a further account of Palestinian attitudes and positions.

- the goal of transition is to achieve the final status of Palestinian independence;
- the PLO must have a role so that insider-outsider unity can be sustained;
- Israel's military forces should be withdrawn from the West Bank and Gaza to the "borders" (i.e. the Green Line);
- Palestinians must enjoy total control over land, water and resources and the administration of those resources, such as land registers, water company, etc.;
- Israeli settlement activity should be frozen either before negotiations begin or certainly when the transition period starts; and settlements should eventually be removed or subject to Palestinian authority;
- provision must be made for the return of refugees to the self-governing territory;
- East Jerusalem must be included as the projected capital of the Palestinian entity: physically undivided but politically separate;
- there should be a "general election" for a "legislative assembly;"
- the interim stages agreement must be under International or UN supervision including (if requested) a UN, civilian and military presence; and
- some Palestinian-Jordanian political accord, usually called a "Confederation," would be arrived at.

The concept here is clear. The Palestinians see the interim self-government as a state in swaddling clothes, the passage of time serving largely to extend Palestinian control and remove the Israeli presence until an independent state (perhaps linked to Jordan) emerges in full sovereignty. Even if the Palestinians fail to obtain full scale assurances of this outcome before negotiations, they can be expected to judge each detail of self-government by whether it contributes to their aspirations for statehood.

THE JORDANIAN POSITION

The next test for consent is Jordan, more than half of whose citizens are considered to be Palestinians. While the Palestinians have long conceived of Jordan as a necessary gateway, ally and potential confederate, they have never been able to reach an enduring

satisfactory relationship with it. From 1948 to 1967, when the Hashemites held the upper hand, the Palestinians were kept firmly in secondary political place, although individuals were allowed high positions in the Court and Royal Administration. Beginning in 1968, the reborn PLO almost took over Jordan and a savage civil war ensued, culminating in Jordan's violent expulsion of the PLO in September 1970. The PLO's later disaster in Lebanon and subsequent deadly quarrel with Syria gave Hussein an opening to assert his leadership, but neither in 1982-83 nor later in 1985 could the King and Arafat agree on a political *modus vivendi* for negotiations. Finally in 1988, Jordan officially "withdrew" all claims to the West Bank as the *intifada* strengthened the PLO's hand.

Now both parties find themselves forced to work together on a joint delegation to peace talks and joint negotiations on interim self-government, a turn of events neither sought nor expected. But while the Palestinians and Jordan sided with Iraq in the Gulf War, alienating long-time supporters, King Hussein, unlike Yasser Arafat, has staged an astonishing recovery. The King avoided the twin disasters of either civil war (had he adopted an anti-Iraq posture) or combat (had he allowed attacks on Israel), thereby achieving a political feat unique even by Middle Eastern standards: he became popular simultaneously with both the Palestinians and with Israel's Likud government. As the designated "senior" partner of the Palestinians, his crucial role reaffirmed by Israel's insistence on a joint Jordanian-Palestinian delegation as its negotiating partner, Hussein is on the way to shedding the discredited mufti of Saddam's ally for the more familiar cloak of Arab moderate. He is a prime beneficiary of the renewed peace process and his involvement in the negotiations helps to counter the disfavor he courts in Washington by continuing to keep the door open to Saddam Hussein.

The King's policy toward Palestinian self-government will derive from his own concept of Jordan's role balanced against his justly famed instinct for survival. [9] Three factors are paramount:

1. Hussein has a strong sense of his family's legacy—his grandfather and great-grandfather's roles in the Arab Revolt in World War I, and his descent from the Prophet Mohammed. In his own eyes, he is supremely qualified as an Arab leader of the first rank.

2. Most of Jordan's population is tied by kinship, culture and history to the other side of the river. As noted earlier, the relationship between the Hashemite monarchy and the various Palestinian nationalist movements has never been easy. The Palestinians and

[9] For a penetrating discussion of King Hussein's career from the mid-1950's through the Gulf Crisis, see Uriel Dann, *King Hussein's Strategy of Survival*, Policy Paper No. 29, (Washington, D.C.: The Washington Institute for Near East Policy, 1992).

Hussein know that while he will occasionally be **with** them, Hashemite Jordan will never be **of** them. Hussein failed to protect the Palestinians in 1967 and he has never been able to recover the lost territory, despite his friends in the West. Now, as the peace process begins, the King must deal with a restive Palestinian population only supportive of Jordan's participation to the extent the King helps secure an independent Palestinian state, as well as an Islamic fundamentalist opposition that rejects the peace process completely.

3. Jordan is a weak country. Jordan's lack of natural resources and indigenous wealth contribute to its regional vulnerability. Its immediate neighbors—Syria, Iraq, Israel and Saudi Arabia—are all more powerful or richer than Jordan can ever be. Even worse, Jordan suspects each of harboring dangerous designs: Assad's Greater Syria; Saddam's territorial ambition; the "Jordan is Palestine" school of Likud championed by Ariel Sharon; and an abiding Saudi antagonism dating from Ibn Saud's conquest of Hijaz, the original dominion of the Hashemites, in the 1920s.

As a consequence of these abiding realities, King Hussein constantly needs to balance his more powerful neighbors to survive and prosper. Most recently, this led to a dangerous alliance with Saddam's Iraq that has left the Kingdom economically dependent on Baghdad even at the cost of straining his relations with the U.S. and his former Gulf Arab patrons.

After the Gulf War, these considerations made a Jordanian role in the peace negotiations, albeit a rather passive one, both possible and necessary. Israel's insistence on a Jordanian role, via the joint Jordanian-Palestinian delegation, ensured an involvement in the self-government negotiations. And Washington's interest in Jordanian participation to complete the circle of Arab state engagement and maintain pressure on Syria and Palestinians to join the negotiations enabled the King to rebuild his relations with the U.S. (although this process will inevitably be constrained as long as King Hussein retains his ties to Baghdad.)

Moreover, as long as Israel insists on adherence to the autonomy provisions of the Camp David Accords, the King is further advantaged, since Camp David provides a role for Jordan at four points:

1. to serve as the delegation—in tandem with the Palestinian participants "as agreed"—negotiating the powers of the self-governing authority;

2. to negotiate with Israel on "final status" arrangements for the West Bank and Gaza and sign a peace treaty;

3. to participate in security arrangements both with Israel and in liaison with the "strong local police force" provided for in the autonomy clauses of Camp David;

4. to be a member of the committee dealing with "the modalities of admission of persons displaced from the West Bank and Gaza in 1967."

"To sum up, Jordan may be able to achieve some role—if limited—in the West Bank once more as part of an 'interim agreement' that controls Palestinian nationalism but does not require the King to offend Palestinian sensibilities in the course of the negotiations."

Thus King Hussein is highly advantaged without having to lift too many fingers. The Syrians, by attending a peace conference, allow him to go forward; the Palestinians, by joining with the Jordanian delegation, grant him legitimacy once more in Palestinian affairs; the Israelis, by insisting on a joint Jordanian-Palestinian delegation, create the mechanism for rebuilding his influence over the Palestinians. Jordan can let the Palestinians negotiate and compromise on the hard points of the self-government while Jordan's role is directed to key workings of the self-governing authority, upon which the Israelis are likely to insist. (The lengthy Israeli-Jordanian cooperative experience in controlling border raids and terrorism will be an important asset in the security area.)

To sum up, Jordan may be able to achieve some role—if limited—in the West Bank once more as part of an "interim agreement" that controls Palestinian nationalism but does not require the King to offend Palestinian sensibilities in the course of the negotiations. Palestinian self-government under these circumstances fits well what one long time observer of Hussein called his survival strategy: "no risks; no heroic initiatives. If possible—upset nobody. If a party must be upset, upset that which is least dangerous **now**... If there remains no way to survive but fight—fight brutally hard."[10]

A further advantage of the current diplomatic configuration is that Jordan's role can be rather passive. This was certainly the case at Madrid where the Palestinian part of the joint delegation overshadowed its supposedly "senior partner"—even for the Israelis. (Jordan, along with Saudi Arabia, encouraged the Palestinians to resist a Syrian *diktat* on the bilaterals at Madrid). But while the King will certainly not put himself at odds with the Palestinians early on, there are two other considerations that may (or should) make him more active. First, an early failure of the negotiations would set Jordan back at a time when the country desperately needs calm and economic assistance to recover from the Gulf War's dislocations—including the influx of 300,000 Palestinian refugees from the Gulf.[11]

---

[10] Dann, *op.cit*, p. 58.

[11] Jordan's officials describe the exodus as larger than that of 1967 and more harmful for the future–because no more remittances from the Gulf can be expected. See *Mideast Mirror* August 14, 1991. For the longer term, these highly skilled people should

Second, the King's longer term interest lies in an agreement on final status that grants Jordan sovereignty either immediately or through a guaranteed fusion with a Palestinian entity. For reasons of his own dignity and a desire to show the Palestinians once and for all that their best choice lies with Jordan as senior partner, Hussein will likely want a speedy commencement of final status talks, in which he, rather than an independent Palestine, is the preferred choice of Israel, the United States and important Arab allies.

In the first five rounds of negotiations, Jordan has acted consistently according to this calculus, always quick to accept invitations to the next round but leaving it to Israel to insist upon the maintenance of the joint Jordanian-Palestinian delegation in the "couch diplomacy." Jordan has used its bilateral negotiations with Israel to reiterate its commitment to full peace, thereby pleasing the Israelis. But King Hussein has also refused to move ahead in these final status issues until the other negotiations make progress, thereby protecting his Arab flanks.

Jordan's balancing act, however, may not be so easily performed in the next phase of the negotiations. Ironically, the Rabin government, which in its previous incarnation in the 1970s had emphasized Jordan's role in the peace process, is now more interested in settling matters with the Palestinians and views Jordan as too weak to play the "big brother" role the Shamir government had in mind. And the United States has grown less tolerant of Jordan's continued dalliance with Saddam Hussein and less willing to turn a blind eye for the sake of the peace process. These factors may impel the King to a more active, though still cautious, role in the peace negotiations to prove his worth to Washington and Jerusalem.

Israeli Choices

The Palestinians and the Jordanians may find themselves face-to-face with self-government by force of circumstance, but for Israel the matter is different. The self-government proposal was essentially invented by Israel. Now the issue is how far the Jewish state is prepared to go in defining it.

Israel's new government will be in a strong position. The Gulf War eliminated, for the time being, Israel's most dangerous military threat—a combined Iraqi-Syrian attack on its eastern front—at a very small cost to Israel itself. The Russian immigrants are coming, albeit in smaller numbers. And the Syrian interest in negotiation, for whatever reason, may give the Israeli leadership the same opportunity Begin was able to seize in 1978: blunting Israel's chief

become an economic advantage—if they find work. See also Ann M. Lesch, "Palestinians in Kuwait," *Journal of Palestine Studies*, op. cit. Summer 1991.

Arab military threat without having to yield control of Judea, Samaria, or the Gaza District.

These are the potential rewards. If they come to pass they will constitute no less than the final triumph of the Zionist ideal: a secure Jewish state in its historic homeland. Palestinian self-government is therefore a way to "square" the circle of indecision that has afflicted Israel ever since the tremendous victories of 1967.

In a perfect world, most Israelis would prefer to have their state incorporate all the land west of the river. Few Israelis of any political persuasion believe that a return to the 1967 lines, even under peace, would be safe. Where Israelis are split is on whether to trade "land for peace" in the West Bank (Gaza holds no charms at all) or how much to trade; but if they would do so, the King of Jordan is the preferred partner. Solid Israeli majorities on both sides of the aisle oppose a Palestinian state and the PLO is widely abhorred.

The *intifada* and then the Gulf War had a paradoxical effect on those long-held Israeli positions. On an individual level, Israelis would rather be separate and distant from a Palestinian people they regard as innately hostile. But as a state, the majority stance against a Palestinian (or even Jordanian) sovereignty any time soon in the territories was reinforced by Palestinian support for Saddam and by the mounting violence carried by Palestinians into pre-1967 Israel. And the Russian immigration has bolstered Israeli confidence that its demographic survival is well in hand and that it can dispense with the services of Palestinian laborers.

Likud's long-held position that it would be unsafe (as well as morally and ideologically wrong) to give up the territories has thus been strengthened by recent events. But the drive to incorporate these territories was blunted long ago by the fear that such a large influx of Arab citizens would turn Israel into a binational state. Today the idea of making the Palestinians in the territories full Israeli citizens (a notion found in Begin's own autonomy proposal) has few takers, even in the Likud.

The conviction that Israel must control the territories but not absorb its inhabitants crosses party lines. In the absence of an Arab "partner for peace," both Labor and Likud agreed that Israel should hold on at minimal cost. While Shimon Peres as Prime Minister actively sought out a peace process, convinced that time was not entirely on Israel's side (largely because of the corrupting consequences of ruling over a rebellious population), Yitzhak Shamir was content to wait, as Dayan once said of Egypt, for the telephone to ring.

It did ring for Dayan in 1973, when instead of bringing a call announcing Egypt's diplomatic capitulation it was the Yom Kippur War on the other line; Shamir was similarly shaken in 1987 when

the *intifada* burst the illusion that the Palestinians were reconciled to a *status quo* moving steadily against them. The National Unity Government of that time was soon forced to expect and sometimes reject American diplomatic efforts to restart the peace process. But any search for ways to relieve Israel of responsibility for the Arab populations while not jeopardizing Israeli military control or right to settle could only lead to autonomy. Significantly, it was Yitzhak Rabin—then serving as Defense Minister—who advocated a revival of the autonomy concept even before Shamir. Rabin was the moving force behind the 1989 Shamir Initiative which was designed to promote autonomy in negotiations with the Palestinians.

Israel's interest in Palestinian self-government therefore goes deeper than the merely tactical or a desire to stall for time while the territories and their people are "absorbed." It does offer what Vladimir Jabotinsky, Menachem Begin's mentor and originator of the idea, originally conceived: a way to deal with a "national minority" without destroying Israeli democracy or abdicating the Jewish majority. Or to put it in the more blunt cadences of Moshe Dayan: to leave the Arabs alone as much as possible while sustaining a Jewish presence and military control in the area; to allow them the right to determine their own future while denying them the opportunity to determine Israel's future.

Israel's choice, however, is not just whether to advance the concept of Palestinian self-government but how to define its particulars. And it is here that the risks begin. Four categories of risk are paramount:

First, impact on U.S.-Israeli relations: Israel's development of the autonomy scheme was rooted not only in the demographic facts of the territories but as a response to American pressure. While Israel and the U.S. have never agreed on the details of autonomy, it has proved a valuable tool in fending off pressure for territorial withdrawal from the West Bank. The self-rule concept has been endorsed by Presidents Carter, Reagan and Bush. But now, as Israel comes to negotiate the details with the Palestinians, U.S.-Israeli relations are undergoing difficult times. In the post-Cold War era, Israel (or any other state) matters less as a strategic ally in the struggle against Soviet influence. The United States feels more secure, even if Israel is concerned about long term threats. This psychological gap, reinforced by waning American public support for foreign commitments, including to Israel, is bound to undermine Israel's confidence in the U.S. relationship; it will certainly redouble Israel's attention to the other areas of risks, especially security. This in turn could increase American frustration with what Washington may see as excessive caution or unreasonable demands on Israel's part.

This process is likely to hold true for the new Rabin government even though it is committed to an early agreement with the

Palestinians. Rabin will have to confront the vocal and organized opposition of that segment of the Israeli polity which regards any autonomy agreement as the end to its dream of absorbing Judea and Samaria (the West Bank) into Israel. And the United States, in its desire for an agreement acceptable to the Palestinians, may find itself pressing for more generous concessions than Rabin can afford politically to make.

Second, security dilemmas: It is possible for Israel to satisfy its external defense requirements in the territories (i.e. to defend against an attack from Jordan and Syria) with an unobtrusive force. But even advances in technology will not eliminate the need for some defensive depth, which would entail demilitarization and control of certain areas. That is why Rabin is willing to freeze settlements in populated Palestinian areas but insists on strengthening settlements along the Jordan Rift Valley which will provide a security tripwire against any Arab attack from the east.

Much more problematical will be control of **terrorism** and the retention of Israeli intelligence assets. This will be especially important when it comes to the settlements, because the Israeli government must insure the safety of the Israeli citizens who live there. At the time of Camp David, only 10,000 settlers inhabited the West Bank. Now 110,000 settlers live there and that makes the security dilemma much more acute.

Third, political evolution: A functioning self-government will be legitimized by elections and international support. In final status negotiations, such a functioning expression of Palestinian moderation will make it more difficult for Israel to resist the inevitable call for self-determination. The result might be a state extracted from Israeli control under extreme local and international pressure.[12] Because a Palestinian state is currently viewed by the vast majority of Israelis as a threat to Israel's security, and Likud supporters view it as a threat to Israel's claim to all the land of Israel, there is a common concern to ensure that self-government arrangements actually foreclose the possibility of Palestinian statehood.

Fourth, the political environment or "linkage": In the autonomy negotiations of 1979 to 1982 with Egypt and the United States, Israel resisted any connection between her bilateral peace and an autonomy deal, only to reverse course as the date for complete Israeli withdrawal from Sinai approached. Thus far, the Israelis have been content to suggest that the two tracks (Israel-Arab states; Israel-Palestinians) progress simultaneously. But the Rabin Government now intends to move ahead on the self-government track. Yet if self-

---

[12] See Aryeh Shalev, "Autonomy: Problems and Possible Solutions," *Jerusalem Quarterly* No. 15, Spring 1980, p. 14.

government does not work out, will the bilateral accords become its hostage? And if it does work out, but Israel and Syria fail to agree in their negotiations, will Syria (and the other Arab states) oppose the Palestinian self-government?

Overall, the danger for Israel can be expressed this way: Palestinian self-government could mean a loss of tangible control without much of a reduction in Palestinian or Arab hostility. At this point, Israel seems prepared to run that risk in the belief that improved relations with other Arab states and a "safe" self-government can be attained. The Israelis, like their negotiating counterparts, will be judging the details of the self-government against their longer-term objectives which still remain: presence in the territories, security guarantees and no independent Palestinian state.

In 1989, the National Unity Government was forced to consider where a renewed negotiation might take Israel—this time with the Palestinians. The resulting Shamir-Rabin plan reserved to Israel exclusive power in three areas: foreign policy, security and jurisdiction over Israeli citizens. Shamir's Likud-led coalition government reaffirmed the "Peace Plan" when it took office and Rabin has reiterated these points during the election campaign. There is every reason to believe that these three points remain Israel's minimum—plus exclusion of Jerusalem from the Palestinian self-government.

In the negotiations thus far, the Israelis have been careful not to enunciate a "full-fledged plan" but rather have made suggestions for an agenda and for selected experiments in self-rule. These Israeli formulations emphasize the administrative to the same degree that the Palestinian ideas emphasize the political. Thus the Israelis are ready to "assign" to the Palestinians control over the health care system, including top-level planning decisions. Another suggestion was the holding of municipal "pilot" elections, not as a substitute for a self-governing authority, but as a step toward turning local government over to the Palestinians. The Israelis are keeping some distance from their 1982 proposals or even their 1989 approach. This could change under Rabin, but Israel will probably continue to emphasize that its security requirements are far more onerous today than they were when only 10,000 Jews lived in the West Bank and Gaza settlements outside of Jerusalem's municipal boundaries.

CHAPTER FIVE THE MULTILATERAL NEGOTIATIONS

The multilateral negotiations are intended to bring together Israel, her Arab neighbors and the wider circle of Arab states in the Gulf and the Maghreb to discuss issues of regional concern. This aspect of the peace process had as its original rationale a "confidence-building measure:" the Arab coalition that fought the Gulf War could signal its intention to deal with Israel as an accepted state in the region. Saudi Arabia, which in the past had opposed the Camp David Accords, signalled this change—under intense American pressure—when King Fahd agreed 1) that the GCC would have an observer at Madrid, and 2) that Saudi Arabia and the other Gulf Arab states would sit with Israel in the subsequent multilateral working groups.

The multilaterals have already opened an inter-Arab dispute. Syria's refusal to attend repudiated in part Assad's acceptance of President Bush's May 31, 1991 letter, which proposed the basic outlines of the peace process. Saudi Arabia's determination to attend the multilaterals over Syrian opposition signalled, even before Madrid, that King Fahd had decided on a forward Saudi course quite at variance with the hyper-cautious, lowest common Arab denominator policy of the past. There can be no doubt that the Saudi-U.S. alliance, secured by the Gulf War and the collapse of the "Rejectionists," accounts for this change. Similarly, Jordan's willingness to ignore Syria's opposition to its attendance at the multilaterals demonstrates its interest in these negotiations as a way not only to improve its relations with the U.S., but also to provide it with a forum to rebuild its relations with the Gulf Arabs in attendance.

Conversely, the Palestinians judged that they had little interest in attending a forum which enabled Israel to deal with its Arab neighbors on regional issues before progress on Palestinian autonomy. They were also opposed to discussing refugee issues in a multilateral forum, regarding Palestinian refugees as a final status issue to be discussed bilaterally with Israel. As in the bilateral negotiations, they chose to turn the Moscow multilaterals into an opportunity for symbolic protest, refusing to attend unless outside Palestinians and Jerusalemites were included in their delegation. While Secretary of State Baker tried to finesse this problem with a commitment that Palestinian outsiders could attend the refugee and economic development committees, he ended up with the worst of both worlds—the Palestinians still stayed away from the Moscow round and the Israelis boycotted the economic and refugees committees when Palestinians from outside the territories turned up for the next round in Brussels and Ottawa.

The multilateral agenda is complicated further by the swelling attendance roster, which now includes the European Community (EC), China, Turkey, Canada and Japan as well as eleven Arab states. These parties, like the Gulf states themselves, came to talk with varying purposes, including a desire to influence the main negotiations indirectly, accommodate American wishes, and protect or win lucrative markets. It will not be easy to keep such an unwieldy operation well-focused. And the absence of Iraq and Iran, as well as Syria, will guarantee that the results are both partial and contested.

Still, the multilateral agenda carries great importance in two areas. The first is economic, both regional and local. Many plans exist for a broader Middle East market. Equally ambitious are plans for extending scarce water resources and expanding trade. And it is clear that Palestinian self-government will have extensive financial needs, especially if anything is to be done about refugees. There are obvious economic incentives for the peace-makers, important to Arab regimes to show their people a peace dividend and important to Israel to end its regional isolation.

A second area is arms control. The Middle East arms race has diverted tens of billions of dollars from economic development toward weapons of war in prior decades, and the Middle East has been the largest arms importer of any region in the world. It has now embarked on a new, deadlier arms race in weapons of mass destruction and their delivery systems, as well as sophisticated conventional arms. In an attempt to deal with this problem, President Bush announced an arms control initiative in May 1991 to constrain the proliferation of weapons of mass destruction and missile technology. But during the last year, arms sales to the Middle East have grown while Iraq, Iran, Syria, and others are embarked on destabilizing military programs.

Arms control in the Middle East has always faced serious problems. The parties in the region have been engaged in an existential struggle involving ongoing territorial disputes. Many nations do not have diplomatic relations or a means of dialogue with each other. The current multilateral negotiations setting does not include the direct participation of such key regional military powers as Iran, Iraq and Syria. Alliances, treaties, and other agreements are subject to rapid reversals of fortune, depending on the whims of rulers. These problems have been compounded by the experience of arms control in the case of Iraq, which—although a signatory to the Nuclear Nonproliferation Treaty—was engaged in a major effort to develop nuclear weapons. Thus, suspicions of arms control in the region have been reinforced by the difficulties intrinsic in the verification and enforcement of arms control agreements.

"The test of the multilateral forum will be whether it does indeed contribute to the confidence of the would-be peace-makers and their supporters. The stakes are considerable. Failure in the multilaterals could turn confidence-building into confidence-destroying."

Clearly, signed arms control agreements in the Middle East are unlikely without serious movement towards peace. Yet, if peace is to come to the Middle East, it will have to include some arms control elements—separation of forces, confidence-building measures, strict verification procedures, agreements regarding weapons of mass destruction, and other measures designed to reduce the chances for surprise attack and the accidental outbreak of war. Thus, despite the difficulties, arms control must be pursued in the multilateral forum. The current forum does offer some opportunities for arms control which may not be available elsewhere. Because the parties have no experience in arms control, there is an opportunity through a seminar-like approach to educate them and influence their thinking. And, of course, the fact that states are beginning to sit together and talk constructively is an important confidence building measure in and of itself.

The test of the multilateral forum will be whether it does indeed contribute to the confidence of the would-be peace-makers and their supporters. The stakes are considerable. Failure in the multilaterals could turn confidence-building into confidence-destroying. On the other hand, a successful exchange between Israel and the Arab states in the multilaterals could definitely ease the work of the other negotiations, contributing to economic, political, and military security.

CHAPTER SIX AN AMERICAN APPROACH

American policy has successfully fostered the first steps of a renewed peace process: the parties are negotiating together. Following the Gulf War, the U.S. took advantage of the disarray and defeat of the "Rejectionists" to arrange a unique series of multilateral and bilateral exchanges. These drew upon American pressure, an international coalition no longer divided by the Cold War and a regional grouping that linked Egypt, Saudi Arabia, Jordan and Syria behind direct talks with Israel.

A favorable international political environment eases the risks of entering negotiations but cannot guarantee the outcome of those negotiations. Our analysis suggests that the environment itself may not remain so benign: Saddam remains in power; Iran is on the march; Syria is looking to rebuild its military option; violence in the territories and along the Lebanese-Israeli border has increased; large quantities of modern arms, including advanced Scud missiles are flowing into Iranian and Syrian arsenals. Meanwhile, the U.S. elections encourage a "wait and see" attitude toward diplomacy.

"The American task for the next stages is therefore to keep the environment encouraging and simultaneously to promote—if it is possible to promote—the real business of deal-making among the parties. For that to occur, both Israel and the Arab negotiators must see above all a compelling, common interest."

These developments might be more easily managed if in fact the Arabs and Israelis had already begun serious negotiations identifying overlapping interests and negotiable differences. But this has not occurred. The breakthrough of direct contact at Madrid, of bilaterals in Washington and multilaterals around the world has created opportunities—but these still have yet to be grasped. Or, to put it another way, the parties have yet to signal (or to convince) each other that they mean to do a deal. The American task for the next stages is therefore to keep the environment encouraging and simultaneously to promote—if it is possible to promote—the real business of deal-making among the parties. For that to occur, both Israel and the Arab negotiators must see above all a compelling, common interest.

At the moment, the negatives seem uppermost, and interests appear to diverge sharply at each point. Israel does not see in a withdrawal from the Golan Heights any measurable improvement in its security and the Syria of Hafez al-Assad is not even looking for the gestures or the deeds of real peace to convince it otherwise. Syria's desire to negotiate stems largely from the necessity to "play an American game," there being no other way for the regime to move the Israelis without greater danger; peace with Washington is the focus of Syrian interest, not peace with Israel. The Lebanese want independence, but someone else has to do the heavy lifting for them to get it. The Palestinians want a sovereign state, with its capital in Jerusalem and the Israeli settlers removed. And Jordan wishes a restoration of its authority, if not as a "senior partner" with the Palestinians, then as a major player in the negotiations that affect it.

Meanwhile, growing violence in the territories and along the Lebanese-Israel border is the order of the day.

Yet to each of these negatives, there is still a positive that could propel the negotiations. The Israelis, facing the prospect of a nuclear Middle East in the next decade, want a blunting of the Syrian military danger, Syrian control over Lebanon relaxed and Syrian noninterference with a Palestinian agreement—which the Rabin government is now determined to achieve. Syria cannot hope to "erase" the "aggressions" of 1967 and 1982—or get into American good graces—outside of a serious negotiation with Israel. Lebanon needs American and Israeli help to ease the Syrian grip. The Palestinians (and Jordan) cannot hope to end the Israeli military administration except through a broader agreement with Israel on "interim self-government." Thus in each case there is considerable incentive to proceed in the hopes of changing the status quo to more favorable conditions.

To take advantage of these overlapping interests, the next U.S. administration will have to decide several important issues:

I. The Overall U.S. Approach

American statesmen have alternated between two generic approaches over the course of the Arab-Israeli conflict: 1) the so-called "step-by-step" approach where individual Arab states and Israel with overlapping interests were encouraged to improve relations in stages even if other Arabs opposed it; and 2) the "comprehensive approach," in which the U.S. devised an all-inclusive approach and then tried to propel the parties toward it. Now that all the Arabs are at the negotiating table, this schematic approach may seem less relevant but it remains possible that some negotiations may bear fruit while others are stalled. And at that point, the U.S. may have to decide whether some agreement is better than none even if the result is still not all-inclusive.

This report suggests that the U.S. use as its measure the finding of common interests and building agreements based on those interests. The United States, in this concept, should not be any more anxious in reaching agreements than the parties, nor should Washington's stake in any such agreement exceed their own. Instead, it should be Washington's business: 1) to help identify the common interests, 2) to reduce the risks of deal-making for the parties, and 3) to play some part in protecting the results.

This method offers American diplomats the flexibility to encourage like-minded parties without being bound to a particular structure, and reserves a role, if invited, for the United States to offer "bridges" that connect parties reaching toward each other. We suggest that the U.S. should develop such bridges when:

- the common interest is clear;
- both parties have made good faith efforts; and
- both sides feel the need for a U.S. proposal.

A peace process that leads to a lasting peace is a profound American interest, but to be lasting it must be a peace that satisfies the minimum requirements of the local parties to the deal. Furthermore, if the United States is to underwrite the results, overall American interests should be part of the calculation. In short, the United States wants Arab-Israeli peace, but not at the price of imposing it, accepting total responsibility for it, or making it the sum total of U.S. interests in the region. If the parties want it, we should be there to assist them. If they do not, our being there will not suffice.

"At the same time, as developments at home and abroad make it harder for the U.S to maintain a global presence, the United States will still need to maintain a presence in the Middle East, thus preserving Israel's value as a strategic ally."

II. America's "special relationship" with Israel

The United States plays a special role in these negotiations not only because of its regional interests but also because of its unique relationships with the major states, the most extensive and intensive being its alliance with Israel. At the same time, as developments at home and abroad make it harder for the U.S. to maintain a global presence, the United States will still need to maintain a presence in the Middle East, thus preserving Israel's value as a strategic ally. U.S.-Israel relations have always been a compound of shared democratic values, moral commitments and strategic value. But the end of the Cold War and the results of the Gulf War have changed the international and regional environments, and may generate pressures in Washington for change in U.S.-Israel relations. These trends have already emerged:

a) The demise of Soviet power has eliminated America's need to combat the spread of Soviet influence in the region while at the same time Israel's need for a strategic partner has increased, as it contemplates taking risks for peace in a still dangerous security environment.

b) The American public's traditional aversion to foreign assistance is stronger because of economic recession in the U.S. and the end of the Soviet threat, while the influx of Russian Jews imposes huge economic burdens on Israel, increasing the need for external finance.

c) Important differences between Israel and the U.S. on the terms of peace can be magnified by the negotiations. For example, during the tenure of Prime Minister Shamir, Jewish settlements in the West Bank and Gaza Strip were raised by President Bush and Secretary Baker as an obstacle to peace with the Arabs and to American housing loan guarantees for the resettlement of Jewish refugees from the former Soviet Union. Even with Yitzhak Rabin in power, we can still expect material differences of opinion between Israel and the U.S. in the course of negotiations.

These strains will be compounded by the diplomacy of rapprochement between Washington and Damascus. Syria's accession to the Gulf War coalition, its role in the release of Western hostages from captivity in Lebanon, and its general desire to improve relations with the U.S. have already brought approving words from President Bush. It will be tempting to run a Syrian variation of the disastrous policy once pursued with Saddam: accentuating the positive and gradually ignoring or glossing over the negative. Because of Syria's previous record of obstructing the peace process, there will be additional temptation to "keep Syria in the game" through concessions on the bilateral relationships (eg. terrorism, human rights, economic assistance). Most members of the Study Group warned that the hostile nature of the Syrian regime, its expansionist ideology, its continued spending on offensive weapons, its support of terrorism and its brutal domestic policies make it, at best, a severely limited participant in the peacemaking. The best policy toward Assad is not primarily one of rapprochement, but rather containment while his policies are tested. Only if Assad changes Syria's behavior in all of these areas will he be a serious candidate for peacemaker.

A further source of trouble in U.S.-Israeli relations will be the Palestinian search for a "godfather" now that traditional allies in Egypt and the Gulf are either hostile or indifferent. The Palestinian delegation faces dangerous internal and external pressures that are likely to intensify as negotiations proceed. At some point, U.S. encouragement may become tutelage and tutelage may pass into advocacy. The Study Group cautions against this temptation. A major achievement of the current negotiations has been the Palestinians' assumption of responsibility for negotiating their own case. The United States should be careful not to relieve the Palestinians of this burden by "taking over" the Palestinian portfolio.

Members of the Study Group recognized that Israel's strategic value to the U.S. would change as a consequence of the end of the Cold War. Yet, they concluded, there were several important reasons why a U.S.-Israeli relationship founded on shared democratic values would remain essential to American interests:

1) The United States still needs powerful and reliable local military allies. A permanent pro-Western balance of power in the region does not exist and cannot be assumed. Given the nature of the potential military threats that the United States is likely to face in the region, Israel's value will remain. In addition, the scope of the military cooperation between the United States and Israel, which produced a number of the weapons and logistical capabilities that were critical during the Gulf War, are also likely to be key in the future, especially in an era of shrinking defense budgets and increased need to protect against missile attack.

2) There are substantial dangers from a Syrian regime still fundamentally hostile to Western interests as well as Iran and Iraq. Israel's ability to deter Syria serves American interests in stability and helps to persuade Assad that he has no alternative to a negotiated settlement. But this depends in part on Damascus' perception that the U.S. stands behind Israel's strength while Syria no longer has a superpower backer.

3) Any agreements in the peace process would necessarily mean additional risks for Israel that no Israeli government would contemplate without confidence in its security relationship with Washington. This will not occur if the U.S. continues its past behavior towards Israel; e.g., reaffirming UNSC Resolution 194, irresponsible leaks regarding technology transfers and voting to "strongly deplore" Israel at the United Nations.

Finally, independent of any political calculations, the United States had made humanitarian pledges to Israel grounded in America's commitments to Israel's survival and shared democratic values. If the U.S. proves unwilling to stand by these commitments after four decades, then what could other countries in the region—or elsewhere—expect of Washington's fidelity to its promises?

The Study Group, however, views U.S.-Israeli relations as a "two-way street." America is under no obligation to underwrite specific Israeli actions "right or wrong," or to ignore injuries to its interests. A certain level of trust between the two countries must obtain if their respective interests are to be served, for each retains the power to frustrate the other. Because the U.S.-Israeli relationship remains a bulwark of American influence in the region, important beyond the immediate issue of the peace process, the Group recommends that:

1) U.S. policy should make clear that its aim is not a U.S. deal imposed on Israel but rather an Israel-Arab deal underwritten by a confident U.S.-Israel relationship.

2) U.S. policy should be to persuade Israel to take the risks for peace, secure in the knowledge that it would not be taking the risks alone, without dependable U.S. backing.

3) The totality of bilateral relations, especially humanitarian projects, should not be held hostage to the peace process. This goes especially for the loan guarantees for Jewish immigrants from the former Soviet Union. The President won a delay on this issue so that the peace process could get underway. Now that it is underway, the United States and Israel should return to the well-tried formula on aid that they have used in the past:

a) Israel pledges not to use the guarantees on projects beyond the 1967 "Green Line." This commitment should now assume renewed value because the Rabin government—unlike its predecessor—is committed to curbing settlement activity and shifting budget priorities to job creation and immigrant absorption within the "Green Line."

b) the terms of the guarantees and the projects themselves should be economically sound. This is especially important because the guarantees are not foreign aid but rather a device to enable Israel to borrow funds at a lower interest rate.

The most effective form of American influence on Israel lies in the encouragement of a real negotiation. As Secretary of State George Shultz once noted, "peace is the incentive." To the extent that Washington can persuade Israel's Arab negotiating partners to indicate by word and deed their desire for real peace with Israel and their willingness to take Israel's security concerns seriously, they will find a ready ally in both Israeli and American public opinion. Manipulation of basic U.S. commitments to Israel can produce a crisis in U.S.-Israeli relations but are highly unlikely to yield progress in the peace negotiations let alone a peace agreement.

III. "Linkage, Sequence and Multilateralism"

The Madrid conference, its powers carefully circumscribed, has now given way to the bilaterals. But the temptation and dangers of "linkage" will remain. Three bilaterals and one multilateral contain sufficient conflicting and overlapping interests for the parties to "mix and match" as the opportunity presents itself, seeking compensation in one negotiation for what it may fail to achieve in another. These are not only tactical devices. For both Syria and Israel, to cite an example, the Golan cannot be viewed in isolation from the fate of the Lebanon border or the balance of power on the eastern front.

To increase the confusion, the very number of negotiations underway and the complex relations among the parties presents problems of sequencing and multilateralism already encountered. Which negotiation should be emphasized more, the Israeli-Syrian-Lebanese or the Israeli-Palestinian-Jordanian? Should progress on the multilateral issues be put "on hold" pending progress in the bilaterals? Should the U.S. seek to keep the timing of progress in all roughly equal?

The best guide to this tangle remains the overlapping common interest, or to put it another way, whether a given conflict is "ripe" for resolution. Washington should not be in the position of

restraining potential progress in one area because the parties are laggard in another.

In the negotiations with the Palestinians, it has already fallen to the U.S. to point out that: 1) self-government (autonomy) does not assure Palestinian national independence nor does it guarantee Israeli sovereignty over the territory. 2) The deal must work on its own terms: autonomy can facilitate state-to-state peace diplomacy (it did so for Egypt and Israel) but only if those states have decided to seek peace on sound bilateral foundations. Conversely, a larger peace process involving state-to-state negotiations can work to encourage an autonomy agreement, but it cannot be a substitute for an Israeli-Palestinian deal that works for both sides.

The Palestinian delegation, more than any other, owes its legitimacy to the negotiations themselves. As noted earlier, the delegation faces sharp internal rivalries and threats, a tightrope of competing pressures, not least of which is the PLO's desire to extract its own legitimacy from the proceedings, i.e, to regain international and Gulf Arab support lost because it sided with Iraq.

The U.S. must tread its own narrow path here, straying neither into the thickets of becoming the delegation's patron nor into the thorns of assisting Arafat, even unintentionally. Building up the Palestinians' authority will come instead from persuading Palestinians to negotiate seriously for an interim agreement (not a "state without a flag") and persuading both the Palestinians and the Israelis to improve the situation on the ground even as the negotiations proceed.

"The United States should be prepared to emphasize to Syria that the alternative to negotiations is not war or obstruction but rather a deepening isolation and total frustration of Syrian aims."

An Israeli-Palestinian interim agreement achieved ahead of any progress on the Syrian side will surely open it to Syrian opposition. But to do otherwise would give the least agreeable parties a veto over the more agreeable. And fear of isolation may provide an inducement to Syria to play catch up in the negotiations.

The United States faces a difficult choice in that should Israeli-Syrian hostility erupt in war, it would be far more violent and dangerous than on any other front, while at the same time the Israeli-Palestinian negotiation may hold more promise for diplomatic progress. Washington must therefore use the one to encourage the other: to make clear that the U.S. will work to prevent a Syrian veto of Israeli-Palestinian progress and that the best Syrian option is a serious negotiation of its own with Israel.

The United States should be prepared to emphasize to Syria that the alternative to negotiations is not war or obstruction but rather a deepening isolation and total frustration of Syrian aims.

In short, the U.S. needs to reinforce the judgment in Damascus that there is no real war option, neither against Israel nor against Palestinian-Jordanian diplomacy aimed at reaching agreement with Israel. But, at the same time, Damascus should be reassured that the door is open to serious negotiation. This requires the United States to pay attention to regional developments in the balance of power as well. If a new "Rejectionist Front" is forged out of the ashes of the old, this time built on an already established alliance between Syria and Iran but with the additional weight of Iraq, Syria will have found an alternative to ending the conflict with Israel.

Turning now from these general considerations to the specific negotiations themselves, the United States should consider the following:

On the Israeli-Syrian front: The "territory for peace" formula may require refinements or, more precisely, a staged sequence. Both Israel and Syria want change. But Israel's desire for a less hostile and dangerous Syria is not likely to be fully granted by Assad's Syria. And Syria's desire to recover the strategic Golan Heights without yielding peace will not be granted by Israel. This harsh diplomatic terrain, confirmed in the bilateral negotiations, corresponds to the harsh topography of the Heights, where very little territorial adjustment is possible that does not radically affect the military positions of the parties.

Short of a breakthrough on either the territory side or the peace side, the United States should consider promoting discussion of a Golan II type of disengagement. This would involve some meaningful reduction in Israeli and Syrian deployments that would build confidence in the motives of each side and could foreshadow eventual arrangements that would require substantial demilitarization. In the judgment of many Study Group members, even that interim step would need a territorial component, i.e., an Israeli withdrawal, albeit minor and symbolic, from the current cease-fire lines. It would also require a political component, i.e., a Syrian commitment to non-belligerency and a timetable for determining the final status of the territory. An important element in any such confidence-building arrangement should be a Syrian fulfillment of its commitments under the Taif Accords which require disarmament of the militias now harassing Israel's northern frontier. Israel could not be expected to accept a deal on the Golan that leaves open the likelihood of further harassment on the Lebanese border.

In the judgment of some members of the Study Group, an interim agreement involves too many risks and too little advantage for either side. Should such a proposal prove unworkable, another idea worth exploring would be the concept of a long-term Israeli lease of the

Golan. Under such arrangements, formal sovereignty might over time be returned to Syria but an Israeli presence would remain to protect Israeli security interests.

For the longer term, any workable security solution for the Golan must answer Israel's structural military problem: it needs early warning and time to mobilize swiftly against a Syrian attack. Demilitarization and force thin-outs are only part of the picture because of the Syrian potential for rapid reinforcement. Recent technological developments may offer Israel much greater assistance on that score, but this will have to be tested rigorously before Israel could contemplate withdrawing from territory which was used to shell Israeli communities before 1967.[13]

These possibilities reinforce the point that work can begin on a permanent Golan Heights arrangement different from the status quo that addresses Israel's security requirements. But the political requirements must also be met. The U.S. would be undermining its own interests in stability if it sought an Israeli withdrawal from the Golan short of a serious and testable commitment from Syria to end the conflict with Israel and enter into a peace treaty with the Jewish state.

On the Israel-Lebanon front: The Israel-Lebanon front is important not only because of its relationship to larger Israeli-Syrian positions but also because of the stakes in Lebanon itself. The American interest in Lebanese independence envisions a peaceful, multi-confessional state that neither disturbs its neighbors, especially Israel and Turkey, nor is a staging ground or haven for international terrorists. None of these can be served by a fractured state, whether under Syrian control, or at the mercy of Iranian-sponsored Hezbollah terrorism.

The United States should be looking at a Lebanese agreement as both a "confidence-builder" that eases Israeli-Syrian frictions and a way to help the Lebanese recover independence. As a supporter of the Taif Accords and advocate of the withdrawal of all foreign forces from Lebanon, the United States must test negotiating proposals that provide greater control of terrorist groups; encourage the removal of all foreign forces including Syrian troops; strengthen the prestige and position of an independent Lebanese government; and, lead to a binding peace treaty between Israel and Lebanon and a secure border between them.

---

[13] Aside from its own warning reconnaissance satellites, Israel would benefit from 1)long endurance Unmanned Aerial Vehicles (UAVs) to identify specific military systems on the move, supplemented by JSTARS technology, such as synthetic aperture arrays used successfully in the Gulf War; 2)remotely armed explosives and mines, either in place air-delivered or fired by artillery.

On the Israeli-Palestinian-Jordanian front: This is the area of greatest overlapping interests in changing the status quo. It is also free in theory of the burden of final status negotiations because it concentrates on an interim agreement. For these reasons, the initial Israeli-Palestinian-Jordanian talks proved to be the most constructive at Madrid.

"The bilateral negotiations have subsequently revealed that despite the 'interim' label, the parties are attempting to influence the eventual final status of the territories through the political and administrative details."

Nonetheless, the bilateral negotiations have subsequently revealed that despite the "interim" label, the parties are attempting to influence the eventual final status of the territories through the political and administrative details. This is already clear in the respective Israeli and Palestinian proposals on self-rule: the Israelis emphasize administrative arrangements while the Palestinians suggest a "state without a flag." The Palestinians will also be conscious of how other events—and other negotiations—can affect their own positions.

In looking at the possible deal itself, the U.S. can make several practical suggestions as the parties seek to define the nature and business of interim self-government. This negotiation may be regarded as a complex jigsaw puzzle. Some pieces are larger than others and the overall picture may emerge in sections, but ultimately, all the pieces must be put in place. We suggest that the negotiations work at assembling the pieces that fit together quickly and easily even as they ponder the placement of more difficult sections. Thus, the Study Group recommends the following:

1) **Avoid the symbols where possible and concentrate on the actual exchanged powers** to be exercised by the Palestinians, those to be shared with Israel or Jordan and those that Israel will reserve for itself.

2) **Agreement should be reached quickly on certain powers, and if it is practical to do so, the Palestinians should begin to exercise them even before total agreement is reached.** This would build confidence and give the negotiations some momentum. Alternatively, there can be informal changes in the Israeli Military Government's administration that help to improve mutual relations. Especially in the economic area, local, private and foreign investment can be encouraged but only if the new rules agreed upon are enduring, i.e., not subject to sudden revocation.

3) **Jordan, which will be affected by the outcome of these negotiations, should be drawn into specific areas where it can make a contribution.** These include trade and commerce specifically two-way trade between Jordan, West Bank and Israel—one way trade already exists). Security, as noted earlier, will also hold an important role for Amman—both external and counter-terrorism.

4) While the negotiators should be able to announce the easier elements of agreement from time to time, **control over land, water resources and security will be the crucial "make or break" issues.** Basically, the formula put forward by the Begin-Sharon team in 1982—a mutual veto in the development of future land and water resources—leaves to the parties to decide whether cooperation or deadlock is to be the rule. On security, Israeli, Palestinian and Jordanian cooperation will be needed if anything is to be achieved and then only slowly will Israel relinquish its current insistence on absolute control of this vital area.

5) Settlements present a special case because of their symbolic (and actual) meaning to the parties. Any deal on Palestinian self-government that fails to affect the Israeli settlement program will not meet the Palestinian test of success. Any deal that totally negates Israel's right of settlement will never pass the Israeli test of success.

Given the strategic role the settlement issue plays for both Israelis and Palestinians, it is highly improbable that an "off the table" separate deal can be arranged that exchanges a temporary freeze for a suspension of the Arab boycott or suspension of the *intifada*, even if supplemented by U.S. loan guarantees. All of these concepts are difficult to monitor, and are of unequal significance to the parties. A "freeze" that precluded new Israeli settlements might be easily observed (as opposed to the concept of "thickening," i.e. the expansion of existing settlements). But in any case, no Israeli government would agree that Jerusalem would be part of such a freeze. The boycott's current impact on Israel is not great and suspension would be very difficult to monitor. And a probably unenforceable "cessation" of the *intifada* would put the entire agreement at the mercy of the stone throwers.

In the past, Israeli settlement policy has been affected by lack of money or, after the 1978 Camp David Accords, an incentive to reach quick agreement. Now, the Rabin government is committed to curbing "political" settlement activity and shifting budget priorities, putting an end to the grandiose intentions of the Likud. Ultimately, if agreement can be reached that future land and water resources be subject to mutual veto, this would inevitably affect all Israeli settlement plans.

Therefore, the time is ripe for converting the issue of settlements from a bone of contention between the U.S. and Israel to an issue that is dealt with in the Israeli-Palestinian negotiations.

On the multilateral front: Given the varied nature and interests of the participants, the key test for these negotiations is whether they increase or decrease the confidence of the parties in the bilateral negotiations. Part of this confidence will be whether the Madrid

rules obtain. The U.S. and Russia, concerned that the refugee working groups contain representation of Palestinian refugees should insist that the Palestinian delegation include representatives from Gaza and West Bank areas who would be acceptable to Israel and quite capable of pressing Palestinian claims. The United States should therefore seek to focus the discussions quickly on:

1) The economic requirements of peace, especially as they relate to water, refugee resettlement and economic expansion;

2) A broader plan for the rapid growth of Middle Eastern economies;

3) Arms control for the region that restricts weapons of mass destruction, missile proliferation, conventional arms, and massive standing forces configured for offensive action. [For specific recommendations, see The Strategic Group's previous report, *After the Storm: Challenges for America's Middle East Policy*, Chapter 2].

These groupings are necessarily going to be predicated on eventual bilateral agreements but an exploration of the subject matter should proceed so long as any process can be sustained.

Several areas of economic significance for all parties are ready for immediate action:

• *Water issues.* There are two aspects to issues concerning water: 1) the obvious need for sharing and increasing the water resources common to Israel, Jordan and the Palestinians, and 2) the Turkey-Syria-Iraq positions over the Euphrates flow. Multilateral projects designed to expand water resources for all parties would contribute toward an easing of the negotiations over the use of existing resources. It would be very useful if the parties could discuss and share technologies to deal with the water problem.

• *Pollution in the Gulf of Aqaba.* Pollution is hurting the extensive tourist industry. The U.S. has already brokered some informal meetings between Israel, Jordan, Egypt and Saudi Arabia—the countries bordering the Gulf. Such a grouping also enables Jordan to pursue its bilateral interests with Israel free of Palestinian constraints and possibly to rebuild its relations with Egypt and Saudi Arabia.

• *Air traffic control procedures.* Overflight privileges are common in other parts of the world among countries without diplomatic relations (notably, American flights over Cuba). The Israelis would benefit from routes to Asia over Saudi Arabia; The Gulf states and Jordan would benefit equally from access to shorter routes to southern Europe, without detouring over Syria or Egypt.

• *Electricity load-sharing.* Sharing among regions with peak loads at different seasons offers both cost advantages and insurance against the consequences of major power station breakdowns. A small link between the Egyptian and Jordanian system is being built under the Gulf of Aqaba, but it would be cheaper to go overland via Israel. A large load-sharing among Arab states (Egypt-GCC) and even more between Turkey and the Arab states would be economical.

• *Fiber optic cables.* An Athens-Israel cable with a branch to Cairo-Jordan-Kuwait-Bahrain-Riyadh could be attractive. Fiber optic cables allow much cheaper communication and much faster links among computers.

CONCLUSIONS

Our recommendations for an American strategy to promote Arab-Israeli peacemaking can be summarized in the following general points:

1) U.S. policy toward the Arab-Israeli conflict should be part of larger U.S. policy toward the region, with coordination so that each dimension reinforces the others.

2) Despite a new government in Israel committed to progress in the peace process, the current relatively favorable political environment for the peace negotiations may not last, despite our best efforts. We should recognize that the success or failure of U.S. policies elsewhere in the region, such as the Gulf, may exercise an important impact on the negotiations.

3) Now that the direct negotiations have been arranged, the U.S. should encourage the parties to find common interests and negotiate differences.

a) on the Israeli-Syrian-Lebanese front, an interim arrangement that involves modest territorial and political change, with substantial easing of military threats, is far more likely than a one-step transition to a final settlement;

b) on the Israeli-Palestinian-Jordanian front, the framework for an interim agreement can work if the parties concentrate on transfer of specific limited powers to a Palestinian self-government, plus workable security arrangements. Israeli settlements can be dealt with in this forum, possibly as a by-product of a mutual-veto in the areas of water and land development. It is here, rather than in the context of U.S.-Israeli relations, that the issue should be handled.

4) There is room for active U.S. mediation under the following conditions: good faith efforts by the parties to reach common ground; "bridgeable" positions where the U.S. might offer either compromise proposals or assurances that reduce the risk; readiness on the part of the parties to accept U.S. intervention.

5) Advances in the peace process will require a deepened confidence and coordination between the U.S. and Israel, both thrown into question by recent quarrels. Beneath the surface lies the more fundamental issue of whether the U.S.-Israeli alliance will continue substantially unaltered in the post-Cold War era. We argue that while the Soviet threat no longer brings the two states together, both Israel and the U.S. still face an environment in the Middle East that is hostile to democracy and to the West. This fact and their common democratic policies, including a quest for peace, bind Israel and the U.S. together, despite differences over tactics and concepts of a final agreement. In the absence of confidence, however, neither Israel nor the U.S. is likely to secure its major objectives. With a new

government in Israel, the U.S. and Israel should engage in high level discussions to coordinate approaches to achieving their common goals.

6) The U.S. retains important allies in Egypt and Saudi Arabia that, together with Israel and Turkey, give us the preponderance of power in the region. If the peace process is managed properly, a contained Syria will have little choice but to accommodate to the main policy of this grouping. And the Palestinians, so long victims of inter-Arab politics, will have every incentive to associate themselves with an agreement supported by these parties. An important element in this approach will be the U.S. effort to sustain and solidify the Egyptian-Israeli peace and, in general, to offer scope for a constructive Egyptian role in broadening the peace. But this will also require a renewed Egyptian willingness to play this role.

7) The peace process also requires some multilateral arrangements and protection. While the U.S. remains the power best able to facilitate negotiations because of the unique influence it enjoys with the parties, Washington should not bear the sole burden of helping make the peace. Europe, Japan, and other countries in the area can offer important political and financial incentives for progress.

8) To be successful, the peace process must include arms controls agreements which will reduce the supply of destabilizing weapons in the region. For the near term, focus should be placed on multilayered supplier constraints and on confidence-building measures among the nations of the region.

9) Finally, while the Arab-Israeli conflict and the Middle East as a whole are no longer the likely scene of superpower confrontation, U.S. interests and values are still vitally engaged. To make these values and interests more secure at lower levels of risk to ourselves and our allies must be the fundamental objective of U.S. policy in the years ahead. That is the opportunity, and the challenge, of the Middle East in the post Cold War, post Gulf War era.

APPENDIX A

PRINCIPLES FOR AMERICAN POLICY IN THE POST-GULF WAR MIDDLE EAST*

This discussion surveys U.S. interests in the Middle East in this new era, addresses elements of America's national security strategy, and finally examines some of the implications of the Arab-Israeli conflict for U.S. strategy.

U.S. Interests and the New World Setting

American interests in the Middle East are a subset of U.S. interests in the post-Cold War world. In the most general sense, the United States must seek to preserve its own independence, freedom, and economic well-being. But American interests can best be served if the United States, in cooperation with like-minded nations, can also work to promote greater stability and the peaceful resolution of disputes. This would be one important element of what President Bush has labelled the New World Order.

In many ways, Iraq's aggression against Kuwait provided a successful test case for America's approach to regional conflict in the 1990s. Iraq's initial success demonstrated the importance of sustaining a stable global security environment—including the maintenance of sturdy regional military balances in key areas—so that local aggressors will be unable to determine the fate of their neighbors. The collective approach taken by most of the international community toward Iraq's assault against Kuwait constitutes an ideal model for future coalition efforts, should they prove possible in future crises. Iraq's unconventional weapons programs highlighted the importance of preventing the proliferation of destabilizing weapons of mass destruction.

Continuity Amidst Change

Despite the changes wrought by the end of the Cold War and the Persian Gulf War, America's traditional interests in the region will, for the most part, remain the basis for U.S. involvement in the Middle East. Perhaps the most traditional and constant interest will be the safety of American citizens. Protection of American citizens and property have always been a foremost goal of American governments. Americans have faced bombings, assassinations, and other forms of terrorism in the Middle East.

---

* This discussion is based on the Strategic Study Group's initial report, released on January 17, 1991, *Restoring the Balance: U.S. Strategy and the Gulf Crisis* (Washington, D.C.: The Washington Institute for Near East Policy, 1991) and a paper delivered by Marvin Feuerwerger to the National Defense University, "The Post-Gulf War Middle East and Implications for U.S. National Security Strategy," November 14, 1991.

Apart from the protection of American citizens, America's interests in the Middle East include:
1. freedom of commerce, especially access to oil at reasonable prices;
2. commitment to the survival and security of Israel;
3. commitment to the security of friendly Arab states and Turkey;
4. support for regional stability and conflict resolution; and
5. freedom of the seas.

1. Oil. The United States will continue to have a vital interest in maintaining access to Mideast oil at reasonable prices. In 1990, oil products comprised over 40 percent of U.S. energy consumption and the U.S. imported over 50 percent of its oil requirements. According to Department of Energy predictions, the U.S. could import up to two-thirds of its oil by the year 2010.

Almost two-thirds of the world's proven reserves are concentrated in the Persian Gulf region, and the cost to recover this oil is among the lowest in the world. A predominant share of the world's excess production capacity also lies in the Persian Gulf. Such factors led former CIA Director William Webster to predict in 1990 that the percentage of U.S. oil coming from the Persian Gulf would rise from about 10 percent in 1990 to about 25 percent in the mid-1990s.

Significant oil disruptions, when they have occurred, have had an important, deleterious effect on the U.S. economy. At the outset of the Gulf War, the loss of Iraqi and Kuwaiti oil from world markets initially doubled oil prices and aggravated recessionary trends in the United States. The U.S. GNP declined by 5 percent as a result of the recession resulting from Arab state petroleum production cuts in the wake of the October 1973 War. The oil shock of 1979-80 caused by the Iranian revolution and OPEC's success in increasing prices contributed to a 3 percent loss of GNP for the U.S. Clearly, assured access to Persian Gulf oil at reasonable prices remains important to the stability and health of the world economy.

In order to preserve the free flow of oil, it is important to prevent any single power—particularly a hostile power—from dominating the supply of oil. This was the basis of the Carter Doctrine, which was issued over a decade ago to deter Soviet aggression in the Gulf. With the end of the Cold War, the main threats to the free flow of oil from the Persian Gulf are likely to come from local states such as Iraq or Iran.

2. Israel. The United States will continue to have a strong interest in supporting Israel's survival and security, in the context of American global interests and America's interests in the Middle East. The United States and Israel share democratic values and a unique historical relationship, close people-to-people bonds, and religious and cultural ties.

Beyond backing for Israel's well-being, the United States will continue to have an interest in close strategic relations with Israel—although perhaps not at the level that some had imagined. As an American ally, Israel can be important in future Eastern Mediterranean contingencies. However hard these may be to define in the new world setting, it appears certain that an American presence and interest in this region will remain.

It is important to recall that the United States has, on occasion, relied on cooperation with Israel for military cooperation that was in no way linked to the Soviet Union. The best known case occurred in 1970, when Syrian forces threatened to invade Jordan. At that time, Secretary of State Kissinger turned to Israel, which postured its forces in a manner that helped deter Syrian aggression.

America's military cooperation with Israel evolved in important ways in the 1980s—to involve combined planning, prepositioning, and exercise activity under the guidance of the U.S.-Israel Joint Political-Military Group. In the 1990s, Israel will continue to offer excellent training opportunities for U.S. military forces—increasingly hard to find in a post-Cold War Europe. Should the U.S. need to use force in Israel's neighborhood, it can be confident of a politically friendly environment and competent military support.

Of course, at the request of the United States, Israel did not directly participate in Operation Desert Storm. This should not have been particularly surprising, since U.S.-Israeli planning never envisaged the use of Israeli forces in the Persian Gulf. At the same time, Israel did contribute to the international effort in a number of ways, by furthering America's diplomatic strategy and providing equipment and intelligence to U.S. forces. Indeed, Israeli forbearance in the face of provocation was appreciated in Washington as one of the key elements in maintaining the anti-Iraq coalition. One of the important lessons to be learned from Desert Storm is that the United States can maintain a strategic relationship—even during crises—with both Israel and friendly Arab states.

Of course, America's ability to cooperate militarily with Israel would be much enhanced if there were significant progress toward a resolution of the Arab-Israeli conflict. If Israel had been at peace with its Arab neighbors, the United States and its coalition partners would have been likely to turn to Israel for more direct logistical support during the course of Operation Desert Shield/Storm. While this is hardly a strong motivating factor for American diplomacy, it is a factor that should not be entirely overlooked.

3. Friendly Arab States and Turkey. The United States will maintain a strong interest in supporting the security and independence of friendly Arab states, either because of their centrality to the stability of the region or because of their importance for access to oil.

Supporting Egypt will continue to be an American interest because of Egypt's commitment to peace with Israel, its central role in the Arab world, and its demonstrated position (as during Desert Storm) as a counterweight to radical regional powers.

In the wake of the Gulf War, the United States will retain an interest in preserving the independence of Saudi Arabia and other Gulf oil-producing states that cooperated with us in response to Iraq's aggression. The United States has already expressed its intention in this regard by negotiating new agreements with Kuwait and Bahrain to help foster regional security, and by seeking additional understandings with other Gulf states.

The United States also has an important interest in helping to protect Turkey from external threats. As a key NATO ally with the largest ground forces in Europe, Turkey is a critical bridge between Europe and the Middle East. Its Desert Storm role in the anti-Iraq coalition demonstrated Turkey's renewed importance in the Middle East.

4. Support for Regional Security and Conflict Resolution. The United States has a clear interest in trying to insure regional stability and ameliorate international conflicts in order to protect American friends and avoid unnecessary American military involvement. The Persian Gulf crisis illustrated the extent to which American interests could be threatened when a regional imbalance develops in the Middle East.

As American policymakers survey the world scene, there are only a few areas in which it is easy to envision the large-scale involvement of American forces in the 1990s. These include the Persian Gulf and the Eastern Mediterranean. Obviously, American diplomacy and strategy will focus considerable attention on preventing the outbreak of major conflict and, hopefully, promoting the resolution of underlying disputes in these areas.

To promote the resolution of regional conflicts, it will continue to be essential to ensure that a balance of power exists to deter radical powers from challenging American friends. This may require a combination of American presence, access arrangements, security agreements, arms sales, and foreign assistance.

Improved regional stability will also require a strong focus on arms control concerns in the post-Cold War and post-Gulf War period. The United States should continue to strive for a reduction in the levels of armaments in the region, and the elimination or control of weapons of mass destruction and their delivery systems.

The end of the Cold War created a cruel paradox. As disarmament agreements were being negotiated and implemented in Europe, the Middle East arms race was growing apace with the introduction of

chemical and biological weapons, nuclear weapons technologies, and ballistic missiles into the arsenals of the principal regional powers. In the hands of an aggressive power like Iraq, these weapons pose a menace to neighboring states and a danger to those who oppose them. It might have been far more difficult for the United States and its Arab and European partners to oppose Iraq militarily if Baghdad had a serious nuclear capability; it is clearly in the U.S. interest to prevent such an eventuality and to promote control over the arms and technology flowing to potential aggressors in the Middle East.

The United States traditionally has perceived an interest in helping to resolve regional disputes such as the Arab-Israeli conflict. Although the Gulf War demonstrated that the Arab-Israeli conflict is hardly the only threat to U.S. interests in the Middle East, it clearly is a potentially destabilizing element both in the Eastern Mediterranean and throughout the region.

5. Freedom of the Seas. As the world's greatest maritime power, the United States requires freedom of the seas. U.S. trade is overwhelmingly waterborne; the United States and all developed countries rely on seaborne trade. Many billions of dollars worth of imports and exports must transit the Persian Gulf and Suez Canal each year. The geostrategic centrality of the Middle East, at the crossroads of three continents, means that maintaining access to that region will continue to be an important American interest.

Freedom of navigation and overflight also ensures that the U.S. military can maintain an effective regional presence in peacetime, or respond rapidly in a crisis—as during Operation Desert Shield/Storm. U.S. maritime superiority in that crisis also ensured that—as long as Iraq's neighbors restricted the flow of key materials overground—the United States and its allies could effectively cut off Iraq.

Threats in the Post-Gulf War Era

In the wake of the Gulf War, the United States has a strong interest in the creation and maintenance of a more stable balance of power that can protect American friends and preserve the free flow of oil from the region. Traditionally, American friends in the Middle East have faced four different classes of threats: 1) the Soviet Union; 2) interstate conflict; 3) internal instability; and 4) terrorism. With the end of the Cold War, the Soviet threat—which had galvanized American defense planning for the region—has basically disappeared.

The interstate threat posed by Iraq in 1990 was a nightmare that could have affected all basic American interests. With its conquest of Kuwait and the prospective threat to the independence of Saudi Arabia, Iraq could have intimidated many OPEC members and

dictated the oil production policies of most Persian Gulf states. From such a position, it could have restricted the free flow of oil and manipulated world prices in a manner harmful to the fundamental interests of the United States and all oil consuming countries.

In addition, Iraq's increased revenues would have permitted it to amass additional military power to threaten others in the region, including Israel. The recent UN revelations of the extent of Iraq's unconventional weapons programs indicate just how great a threat Iraq would have become had Saddam Hussein not prematurely led his country into war.

With Iraq's defeat, all friendly Mideast states enjoy an improved security environment. The Gulf Cooperation Council member countries have seen the two prior greatest threats to their security, Iran and Iraq, suffer significant recent military setbacks, reducing the interstate threat to the lowest level in many years. U.S. actions have strengthened deterrence, which should contribute to regional stability. Israel has also benefitted strategically from Iraq's defeat and the deterrent impact of America's successful intervention on potential future aggressors.

At the same time, threats to America's friends remain. At the interstate level, Saddam Hussein continues to rule Iraq. Today he is weak and apparently powerless to attack his neighbors. But Middle Eastern states have little doubt that he will seek to avenge Iraq's defeat should the opportunity arise. Although Iran has moderated its political approach toward Gulf states in the recent past, it could still seek to rebuild its military capability, seek to oust the United States from the region, and threaten traditional pro-American regimes. The evidence of Iraqi and Iranian unconventional weapons programs also heighten concern about the scope and destruction of future interstate conflicts in the Middle East.

In the longer run, all of the states of the lower Gulf will face security problems caused by their wealth (which makes them attractive targets), their limited military capability, and the tensions within their own societies. Israel will also face threats from its Arab neighbors, although these can be eased by greater progress toward a resolution of the Arab-Israeli conflict.

Beyond the interstate context, the threats to internal stability in many Middle Eastern states are likely to intensify. Rising groups in different societies such as the army, intellectuals, and the middle class are likely to increase their demands for power. Among the masses, social change may weaken traditional bonds of authority; many may turn to the sense of identity and purpose offered by Islamic fundamentalism. Fundamentalist groups may themselves grow more assertive.

In the broader Middle East, unresolved conflicts and the persistent threat of terrorism will also create security challenges. Despite the reduction in international terrorism which has occurred in the Middle East over the past two years, the most likely threat U.S. citizens will face in the 1990s is the threat of terrorism from the disaffected.

Any survey of threats in the Middle East would not be complete without recalling just how poor a track record the United States has had in predicting threats to American interests and allies during the past twenty years. Few anticipated the timing of the Shah's downfall, the Soviet invasion of Afghanistan, the outbreak of the Iran-Iraq War, or the Iraqi conquest of Kuwait. With this history, the best course is to anticipate that threats will emerge—but to avoid overconfidence about whether it will be possible to determine how and where they will arise.

Elements of a Post War Regional Security Strategy

In the wake of the Gulf War, the United States has a strong interest in the creation and maintenance of a more stable regional setting that can protect American friends and preserve the free flow of oil from the region. President Bush addressed this question directly in his March 6, 1991 address to the Congress, when he stated that:

We must work together to create shared security arrangements in the region. Our friends and allies in the Middle East recognize that they will bear the bulk of the responsibility for regional security. But we want them to know that just as we stood with them to repel aggression so now America stands ready to work with them to secure the peace.

This does not mean stationing U.S. ground forces on the Arabian Peninsula, but it does mean American participation in joint exercises involving both air and ground forces. And it means maintaining a capable U.S. naval presence in the region, just as we have for over forty years. Let it be clear: Our vital national interests depend on a stable and secure Gulf.

An American security strategy for the Middle East must address a number of essential elements, including:

- appropriate security arrangements to create a more stable military balance, including a suitable American presence;
- arms sales/arms control policy;
- improving American "long-reach" military capabilities; and
- promoting the settlement of regional conflicts through negotiations.

1. Appropriate Security Arrangements

With Iraq's defeat, considerable effort has focused on the regional security arrangements necessary to preserve stability in the Persian Gulf area and throughout the Middle East. How to preserve such stability is a vexing problem. The military balance between Iran and Iraq in the 1970s and 1980s was an important element in limiting the aggressive capabilities of each of these powers. Having each been defeated in military hostilities in the past several years, they pose only a limited threat to their neighbors for the first part of this decade.

Nonetheless, there is reason to believe that Iraq or Iran may again try to threaten regional stability in the future. Though President Bush has encouraged American friends to assume the "bulk of the responsibility" for regional security, it is difficult to envision circumstances under which these states could be expected to defend themselves against major threats without assistance. Accordingly, they will look to the United States to provide a safety net.

For at least the near term, America's approach to regional security must ensure that Iraq cannot reemerge as a threat to its neighbors. The United States will have to continue to make sure that the special measures detailed in UN Security Council Resolution 687 and subsequent resolutions, including destruction of Iraqi unconventional weapons, are carried out in full.

In addition, the United States should continue to work to enhance U.S. bilateral ties with Gulf Cooperation Council states and encourage the strengthening of the GCC itself. The U.S. in 1991 signed security cooperation agreements with Kuwait and Bahrain; similar agreements with other states may be on the horizon. In addition to multilateral exercises, and high-level visits and exchanges, the United States should engage in planning with GCC states for future contingencies. In general terms, the United States must be ready to respond positively to reasonable requests to assist in the defense of GCC states.

Although President Bush has ruled out a permanent U.S. ground force presence on the Arabian Peninsula, the U.S. does require an enhanced presence in the region to help defend American friends. Beyond an enhanced naval presence, the U.S. is seeking the prepositioning of heavy equipment and munitions in the region. It should increase combined exercises with the states of the region, and should seek better support ashore for the peacetime presence of U.S. forces.

In the long run, the United States should not plan to build a capability **in place** to defend the borders of Kuwait or Saudi Arabia against a resurgent Iraq or Iran; unless a significant conventional

threat reemerged the maintenance of such a force level is unnecessary and politically and economically foolish—particularly at a time when the United States is drawing its own forces down. Instead, a suitable U.S. presence should be designed to facilitate a speedier U.S. return to the Persian Gulf and enhance deterrence at minimal cost with little danger of turning American soldiers into catalysts of regime instability. The contingency force planning concepts set forth by Secretary Cheney and JCS Chairman Powell appear suitable for this task.

2. Arms Sales/Arms Control

President Bush's May 1991 Middle East arms control initiative seeks, among other measures, to limit the sale of conventional arms to the Middle East. A key feature is the effort to establish an arms sales code of responsibility, which has been accepted by the Permanent Five members of the United Nations Security Council—who account for the great majority of arms sales to the Middle East.

Given that the Middle East region is the largest importer of arms in the world, it is clear that damping arms sales could make a major contribution to reducing local threats and enhancing regional security. At the same time, it is also clear that as long as the root causes of instability and conflict continue to exist, local states will continue to seek arms. And if they have the financial resources, chances are that they will be able to find a supplier.

While one cannot be overly optimistic about controlling the flow of conventional arms to the Middle East, there may be a greater capability to control unconventional weapons and missile technology. Fewer suppliers are available for such systems, and international norms against their supply are stronger. However, the scope of Iraq's secret unconventional weapons programs and reports of serious unconventional weapons programs underway in a number of Middle East countries do not occasion great optimism for leakproof constraints in this area either.

The United States has a clear interest in the full implementation of President Bush's arms control initiative. At the same time, as long as threats to America's friends continue, the United States will want to sell them arms to meet their legitimate defense needs. The United States has been committed for many years to preserve Israel's qualitative edge against prospective foes. The United States is also interested in helping friendly Arab states modernize their militaries to face prospective threats.

The tension between American arms control policy and arms sales policy may create a dilemma, because the United States is unlikely to agree with arms suppliers like China, North Korea, or even France about a definition for legitimate defense needs or about appropriate arms recipients. One need only remember the criticism the United

States faced in the wake of the Gulf War after announcing limited arms sales to Gulf states, Egypt, and Israel. Moreover, as military spending through much of the world decreases, the competition for remaining markets is likely to intensify. In the region itself, the United States can also expect disagreement among its friends over the question of whether sales to a prospective opponent meet legitimate defense needs or could provide the means for aggression.

Managing this situation could be difficult, although the fact that none of America's traditional arms recipients in the region is cash-rich today could ease the problem. In this potentially difficult situation, the United States should approach arms sales with some caution—trying to minimize the prospect for spurring regional arms races or destabilizing friendly regimes.

In the Gulf, rather than supporting dubious efforts to double or triple the size of existing armies the U.S. should encourage defense expenditures for two purposes: 1) initial defense and 2) facilitating the ability of the U.S. to come rapidly to their assistance. Areas of focus for initial defense might include technologies to slow ground forces (tank traps, mines), mine sweeping and clearing equipment, anti-tank weapons, integrated air defense, and improved intelligence and communications.

3. Improving American "long-reach" Military Capabilities

The Gulf crisis provided a unique display of international cooperation against aggression. Yet, when Iraq threatened to invade Saudi Arabia and a quick response was required, only the United States had the political will and military capability to respond in a timely manner.

The U.S. and coalition success against Iraq may enhance deterrence of similar future aggression in the region because of increased respect for U.S. capabilities. Nonetheless, there will be a continuing expectation of a rapid American response in the event of future significant crises. Although there is much to be said for coalition efforts, the United States still must plan to be largely self-reliant militarily in the early stages of a crisis.

This lesson has a number of important ramifications for U.S. forces. Even as it reduces defense spending, the U.S. will have to focus increased attention on the maintenance of a rapid deployment capability. We have already mentioned the U.S. requirement for some peacetime presence, and prepositioning and access to local facilities. The U.S. will also require cooperation with capable local militaries and highly deployable U.S. forces with long reach.

Most discussions of a suitably sized force have focused on being able to deploy about two heavy ground force divisions to the region within a month. Such a capability should provide a potent deterrent

and a capable initial defense. This force capability would be equally applicable to future contingencies in the Persian Gulf or for the defense of Israel. Indeed, given Israel's superior self-defense capabilities against its threats as against the capabilities of U.S. friends in the Persian Gulf against their threats, we may consider the defense of Israel a lesser included case.

Additional acquisition of airlift and sealift capabilities would be helpful to the United States in meeting future Middle East contingencies. In addition, future American forces may have to be tailored more toward contingencies requiring quick and distant deployment. High priority will have to be given to forces with long reach, and to special units and high technology systems that can provide leverage against middle-level powers like Iraq.

4. Helping to Resolve Regional Conflicts

The Middle East is a region rent by border disputes, religious strife, and regional rivalries. Outside powers cannot determine solutions to these problems. But the United States should continue to vigorously support the efforts of local states to settle their disputes.

Foremost among these disputes is the Arab-Israeli conflict. During the Gulf crisis, Saddam Hussein tried to play on Palestinian grievances to undermine American interests. In spite of Saddam's efforts—including the launching of Scud missiles against Tel Aviv—the United States resisted the linkage that Saddam Hussein tried to draw. But, at the same time, American leaders rededicated themselves to actively promoting a settlement of the Arab-Israeli conflict. A solution to this problem can help stabilize the region by enhancing the security of Israel and its neighbors, slowing the regional arms race, and permitting the nations of the Middle East to devote their energies to more constructive purposes. In addition, it would remove the possibility that the United States might have to deploy forces to this region.

GENERAL POINTS

A number of additional pertinent points should be borne in mind:

First, America's leaders must be clear both to regional states and to the American public about what American interests are in the Middle East and what type of actions would cross red lines. Prior to the Gulf Crisis, much as in the case of the Korean War, the United States did not explain clearly to a prospective opponent that the actions he was considering would be unacceptable to the United States.

Second, the United States must continue to play a direct role in both the security and diplomacy of the Middle East if it is to affect how U.S. interests are served.

Third, it would be harmful to allow Iraq or any other power to attain regional hegemony.

Fourth, the United States must be even more wary than in the past about policies of accommodation of the revanchist concerns of local states. The United States did not try seriously to deter Iraq because it did not recognize that there was a need for such deterrence. Even as the United States considers closer relations with states like Syria, it must avoid mistakes of the past.

Finally, America's defense requirements in the region will be proportional to the strength of local militaries. While the United States should plan to be largely self-reliant at the early stages of future crises, the level of required defense investment will vary depending on the outcome of this crisis. If Iraq's military strength is broken and/or arms restraint takes hold, the United States will be able to limit its own military requirements. But if local militaries continue to grow and modernize, the United States will have to devote an increasing share of its defense resources to insuring it will be able to match them.

APPENDIX B

POST WAR POLICY RECOMMENDATIONS: Regional Security, Arms Control, Economic Development and Political Change*

The defeat of Saddam Hussein and the reduction of Iraq's offensive capabilities reestablished a favorable balance of power in the Middle East. But the Gulf War left in its wake serious challenges to American efforts to establish a more stable regional order. These efforts are comprised of four key elements: regional security, arms control, economic development and political change.

I REGIONAL SECURITY

The United States must continue to play a critical role in protecting American interests and promoting regional security in the Middle East. The U.S. should pursue a strategy of deterrence based on the creation of appropriate security structures, maintenance of its long-reach capabilities and a continuing presence in the Persian Gulf region.

Though the security of American friends in the region has been enhanced by the Gulf War, the U.S. must anticipate the emergence of future threats. Looking out five to ten years, these could include Iran, Iraq and Syria.

At present, Iraq provides the only credible military threat—if a diminished one—to Gulf Cooperation Council (GCC) states. Saddam Hussein remains in power and is likely to seek revenge should the opportunity arise. Vigorous enforcement of UN Security Council Resolution 687 will be necessary to prevent the re-emergence of an Iraqi threat and to provide a deterrent to aggression. More broadly, the most promising means of enhancing security against aggression lies with improved U.S. security cooperation with GCC states, the development of a strengthened GCC and enhanced security relations with other U.S. allies in the region.

America's Role

The United States will play an enhanced role in Gulf security, including increases in multilateral exercises, prepositioning of military equipment, high-level visits and exchanges, and planning with the GCC for future contingencies. The United States today has the opportunity to lay the groundwork for a more rapid return to the region should that be required in a future crisis. Three issues may need to be addressed by U.S. decision-makers in the near term:

---

* These recommendations are adapted from the "Executive Summary" of the Strategic Study Group's interim report released in June of 1991, *After the Storm: Challenges for America's Policy in the Middle East* (Washington, D.C.:The Washington Institute for Near East Policy, 1991).

• *U.S. Presence.* To enhance deterrence and improve the speed of a future U.S. redeployment, the U.S. will require an enhanced presence in the region as compared to before August 2, 1990. This will include an expanded naval presence, pre-positioning of heavy equipment and munitions, and combined exercises.
• *U.S. Guarantees.* If Gulf states request explicit guarantees of their security, the U.S. should respond positively in order to enhance deterrence.
• *U.S. Arms Sales.* The U.S. should attempt to secure a reduction in conventional arms sales to the region. U.S. arms sales to Persian Gulf countries should be designed to serve two purposes: initial defense and facilitating the U.S. ability to intervene.

The Roles of Other Regional Powers

In the post-Cold War, post-Gulf War Middle East, the United States is fortunate to have three capable and strategically located regional allies that can each reinforce the security arrangements made with the GCC states:
• **Egypt,** as a leading Arab state with close relations with the U.S. and peaceful relations with Israel, can do much to counter anti-Western radicalism in the Middle East, previously embodied in Saddam Hussein's threats to the neighborhood. Enhanced strategic cooperation with Egypt can provide an important reinforcement to Gulf security arrangements. If the Gulf states seek a more direct role for Egypt in their security arrangements, the U.S. should encourage this involvement.
• **Israel** is a stable, capable democratic ally which has shown an ability to take American interests into account. The Gulf crisis demonstrated that the U.S. can benefit from strategic relations with both Israel and Arab friends without compromising either. Israeli-American coordination should be improved and combined planning enhanced. The U.S. should increase its use of Israeli facilities to meet future Mideast contingencies.
• **Turkey** is another reliable, democratic ally, strategically located on the northern rim of the region. The U.S. should accept Turkey's offers to permit prepositioning, while not pressing for a direct Turkish role in the Persian Gulf.
• **Syria's** approach to regional security is a test of its orientation toward order in the Persian Gulf and the wider Middle East. Syria remains a radical state with pan-Arab ambitions and an army capable of threatening its neighbors. We should be skeptical about potential positive Syrian contributions. Thus, the U.S. has no interest in promoting a Syrian military presence in the Gulf and should also oppose Gulf state support for Syria's drive toward military modernization.
• **Iranian** cooperation may be desirable in the short term, but long-term Iranian involvement in security arrangements will depend largely on whether Iran takes a more responsible approach to regional security than it has in the past.

• **Europe and Japan** should be encouraged to support security in the Gulf and share the burden of such efforts. Economic support will be necessary especially from Japan and Germany, while Europe should be encouraged to develop capabilities for increasing its direct military contribution in future crises.

II ARMS CONTROL

The Bush Administration's Middle East arms control initiative, formally announced in May 1991, marks the first time in more than thirty-five years that the United States has been willing to utilize arms control to promote regional stability.

Despite the importance of the initiative, the obstacles are formidable. Though some elements of the initiative enjoy greater prospects for success than others, implementation will prove difficult. Any significant success will require a long-term U.S. commitment to an arms control process.

Special Envoy

In order to coordinate the disparate elements of his arms control initiative, and thus increase its chances for success, President Bush should consider appointing a special envoy to supervise its implementation and coordinate the various U.S. government agencies involved in this multilateral, multi-faceted effort.

Supplier Constraints

The prospects appear most favorable for strengthened supplier constraints on transfers of unconventional weapons technology. There is considerable international sentiment that existing agreements among suppliers—the Nuclear Suppliers Group, the Australia Group (chemical weapons controls), and the Missile Technology Control Regime (MTCR)—should be bolstered. Specifically, it may be possible to convince suppliers to strengthen existing regulations and broaden the number of states willing to adhere to the agreements.

The adoption of controls on conventional arms transfers appears less likely. There is no existing international consensus on the need to constrain conventional weapons sales. Although the Bush Administration supports a negotiating process intended to create guidelines for arms sales to the Middle East, the extent to which other countries would be willing to accept such constraints is not yet clear. Discussions now taking place between the major arms suppliers represent only an initial step in what may be a lengthy process.

Global Arms Control Treaties
Middle Eastern states have been reluctant to accept fully the requirements of multilateral arms control agreements. As a result, the effectiveness of these treaties—the Geneva Protocol, the Nuclear Non-Proliferation Treaty, the Biological Weapons Convention, and the Chemical Weapons Convention (currently under negotiation)—has been cast into doubt. Efforts to constrain proliferation in the region must be accompanied by attempts to strengthen these treaties, including their verification and enforcement provisions.

Regional Arms Control
Absent political progress and diplomatic contacts between the Arab states and Israel, it will be exceedingly difficult to negotiate regional arms control agreements in the Middle East. There is no apparent way to reconcile the Arab demand that regional arms control begin with unconventional weapons and Israel's insistence that it begin with conventional arms. In the absence of a breakthrough in the peace process, which would provide an opening for discussion of regional arms control issues, attempts should be made to advance less ambitious measures, such as a regional ban on testing of nuclear weapons.

III ECONOMIC DEVELOPMENT

The United States should focus its economic efforts where it can make a difference: alleviating poverty, promoting regional cooperation, and forcing Iraq to meet its responsibilities.

Alleviating Poverty
Aid should support sound economic policies and the reforms vital for sustainable development. Foreign aid should aim at improving the economic lot of the whole region rather than the redistribution of wealth. The U.S. should encourage access for Middle Eastern exports to U.S. and European markets, while promoting the redirection of scarce funds from the military to civilian development. The U.S. should support loan guarantees to finance immigration absorption in Israel; prospects for repayment would be excellent.

Economic Cooperation
Because a Middle East Development Bank would be of little use to the poor Arab countries, which are highly indebted already, the U.S. should take a skeptical stance; it should also insist that Israel be invited to be a full member. The U.S. must concentrate on politically practical projects with clear benefits for participants—such as the Yarmuk River dam—rather than grandiose projects which could exacerbate long-term problems.

Iraq's Responsibilities

Iraq is a potentially wealthy country; in the event that sanctions are lifted, its vast income should be used for reparations and debt service in addition to reconstruction.

- **Reparations** may help prevent future Iraqi aggression while compensating its victims. However, there is a danger that an excessively-harsh reparations regime could inflame the Iraqi people and contribute to future instability.
- Special **debt relief** for Iraq is an anachronism that must be eliminated. Any debt rescheduling should require an IMF program.
- **Humanitarian aid** to Iraq should be managed by international organizations so that the Ba'th regime cannot divert funds to other purposes.

IV POLITICAL CHANGE

One of America's strategic goals in the Middle East—now and in the future—is the promotion of stable democratic governments. In the aftermath of the war, the Bush administration has expressed support for its democratic allies in the region, Turkey and Israel, and has moved to strengthen Egypt, whose government is relatively tolerant and moving toward greater political participation. Yet the Bush administration has given insufficient attention to the promotion of democracy. This has been an unfortunate error. The U.S. must develop an appropriate vision for the region's future, taking into account the new political forces unleashed by the war, lest the fruits of victory slip away. While the United States should not hector Middle East governments, it can push for more progress, particularly in Kuwait and Iraq.

Kuwait

Kuwait is experiencing intense democratic pressures resulting from the resistance groups who fought and suffered under Iraqi occupation. These groups now demand greater political participation, including restoration of the 1962 constitution and establishment of a national unity government, woman's suffrage and extension of a restrictive franchise.

The U.S. should urge greater democratization and improved human rights in Kuwait. For example, it should support greater political participation, pluralism and expansion of the franchise. Indeed, the U.S. must advocate political reform in Kuwait. U.S. passivity could both erode the U.S. standing in Kuwait and permit Kuwait's internal turmoil to spread to other Gulf states.

Iraq

Saddam Hussein's continued rule of Iraq is harming stability in the region. Even after his defeat, Saddam killed thousands in the south and created a massive refugee problem in the Kurdish north. His brutality and ruthlessness may yet find outlets in years to come. The administration is correct to have stated explicitly that it seeks the removal of Saddam Hussein and that the lifting of sanctions against Iraq is directly tied to his ouster. It may be necessary to develop a strategy which makes it possible to sustain this policy for however long it takes to get rid of Saddam.

Just what sort of successor regime should the U.S. support? Some argue that the U.S. should support constitutional government, one that is pluralistic, accommodating of the different sectors of society, and capable of holding the country together without incessant conflict and civil strife. Others argue that a constitutional government would not be able to maintain the territorial integrity of the country. In any case, the U.S. must demand some minimal human rights guarantees for the Iraqi people.

STRATEGIC STUDY GROUP PARTICIPANTS

Madeleine Albright is the President of the Center for National Policy. She served on the National Security Council Staff during the Carter Administration and was senior foreign policy advisor to the 1988 Dukakis Presidential Campaign.

J. Brian Atwood is the director of the National Democratic Institute for International Affairs.

Congressman Les Aspin (D-Wisconsin) is a member of the U.S. House of Representatives. He represents Wisconsin's first Congressional District, and is the Chairman of the House Armed Services Committee.

Graeme Bannerman was formerly chief of staff of the Senate Foreign Relations Committee and a member of the State Department's Policy Planning Staff. He currently directs Bannerman Associates, a private consulting firm on foreign policy issues.

Alvin Bernstein is the director of the Institute for National Security Studies at the National Defense University. He previously served as assistant deputy undersecretary of defense for policy planning.

Patrick Clawson, a resident scholar at The Washington Institute and the Foreign Policy Research Institute, is the editor of *Orbis.* He was the desk officer for Iraq and Kuwait at the International Monetary Fund in the mid-1980s and is the author of *Unaffordable Ambitions: Syria's Military Build Up and Economic Crisis* (The Washington Institute, 1989).

Eliot Cohen, professor and director of strategic studies at the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University, is the co-author of *Military Misfortune: The Anatomy of Failure in War* (The Free Press, 1990) and *Citizens and Soldiers* (Cornell University Press, 1985). He previously served as the director of Atlantic and Pacific issues for the Department of Defense Policy Planning Staff.

Senator William S. Cohen (R-Maine) is a member of the United States Senate. He is the ranking Republican member of the Senate Armed Services Subcommittee on Projection Forces.

Stuart Eizenstat served as Assistant to the President for Domestic Affairs and Policy under President Carter. He is presently a partner in the law firm of Powell, Goldstein, Frazer and Murphy and is a member of The Washington Institute's Board of Advisors.

Marvin Feuerwerger, a senior strategic fellow at The Washington Institute, is a professorial lecturer in international relations at the Paul H. Nitze School for Advanced International Studies at Johns

Hopkins University. He is the author of *Congress and Israel* (Greenwood Press, 1979). He previously served as deputy assistant secretary for policy analysis at the Department of Defense.

General Alexander Haig has served as Secretary of State under President Reagan, National Security Advisor under President Nixon, and NATO Supreme Allied Commander.

Charles Hill is a senior research fellow at the Hoover Institution and diplomat-in-residence at Stanford University. A career foreign service officer, he served as executive aide to Secretary of State George Shultz.

Robert Hunter is the vice president of the Center for Strategic and International Studies. He served as the National Security Council's director for Near East and South Asian Affairs under President Carter.

Martin Indyk is executive director of The Washington Institute for Near East Policy and an adjunct Professor at The Paul H. Nitze School of Advanced International Studies at Johns Hopkins University.

Geoffrey Kemp is a senior associate and director of the project on "Arms Control and the Proliferation of High Technology Weapons in the Near East and South Asia" at the Carnegie Endowment for International Peace. He served as special assistant to President Reagan for the Middle East at the National Security Council.

Ambassador Jeane Kirkpatrick is a senior fellow at the American Enterprise Institute. She served as the chief United States representative to the United Nations from 1981-1985 and is a member of The Washington Institute's Board of Advisors.

Charles Krauthammer is a syndicated columnist and a contributing editor to *The New Republic*, specializing in social criticism and foreign affairs.

Ambassador Samuel W. Lewis is President of the United States Institute of Peace and is a member of The Washington Institute's Board of Advisors. He served as the U.S. Ambassador to Israel from 1977 to 1985.

Robert Lieber is a professor of government at Georgetown University. He is the author of numerous publications, including *No Common Power: Understanding International Relations* (Little, Brown & Co., 1988) and was co-editor of *Eagle Resurgent? The Reagan Era in American Foreign Policy* (Little, Brown & Co., 1987).

Edward Luttwak holds the Arleigh Burke chair in strategy at the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University and is a member of The Washington Institute's Board of Advisors. He served as a consultant to the secretary of defense, the National Security Council, and the U.S. Department of State. He is the author of numerous books, including *Strategy: The Logic of War and Peace* (Harvard University Press, 1988).

Michael Mandelbaum is professor of international relations at the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University and the director of the Project on East-West Relations at the Council on Foreign Relations. He is the author of numerous articles, essays and books, including *The Nuclear Question: The United States and Nuclear Weapons 1946-1976* (Cambridge University Press, 1979) and *The Fate of Nations: The Search for National Security in the 19th and 20th Centuries* (Cambridge University Press, 1988).

Robert McFarlane, former National Security Advisor under President Reagan, is the President of McFarlane Associates and a member of The Washington Institute's Board of Advisors.

Vice-President **Walter Mondale** is presently a partner in the law firm of Dorsey & Whitney and a member of The Washington Institute's Board of Advisors.

Ambassador Richard Murphy is the senior fellow for the Middle East at the Council on Foreign Relations. He previously served as assistant secretary of State for Near East and South Asian Affairs. A career foreign service officer, he has served as the U.S. Ambassador to Mauritania, Syria, the Philippines and Saudi Arabia.

Robert Murray served as deputy assistant secretary of defense for Near East and South Asia under President Carter. He is currently the president of the Center for Naval Analysis.

Laurie Mylroie, a fellow in Arab affairs at The Washington Institute, is author of *The Future of Iraq* (The Washington Institute, 1991) and co-author with Judith Miller, of *Saddam Hussein and the Gulf Crisis*(New York Times Books, 1990).

Janne Nolan is a senior fellow in foreign policy at the Brookings Institution and the author of *Guardians of the Arsenal: The Politics of Nuclear Strategy* (Basic Books, 1989) and *Trappings of Power: Ballistic Missiles in the Third World* (Brookings, 1991).

Senator Samuel Nunn (D-Georgia) is a member of the United States Senate. He is chairman of the Senate Armed Services Committee.

Daniel Pipes is director of the Foreign Policy Research Institute. He has served on the State Department's Policy Planning Staff and in its office of the Counselor. He is the author of several books, including *Damascus Courts the West: Syrian Politics, 1989-1991* (The Washington Institute, 1991) and *Greater Syria: The History of an Ambition* (Oxford University Press, 1990).

Alan Platt is a defense policy consultant and former senior staff member of the Rand Corporation and national security fellow at the Hoover Institution. During the Carter Administration, he was chief of the Arms Transfer Division, U.S. Arms Control and Disarmament Agency. He is the author of *The U.S. Senate and Strategic Arms Policy 1967-77* and co-author of *Congress and Arms Control.*

James Roche is the vice president for analysis at the Northrop Corporation and a member of The Washington Institute's Board of Advisors. He was formerly the deputy director of the Department of State's Policy Planning Staff, deputy director of the Department of Defense's Office of Net Assessment and staff director of the Senate Armed Services Committee.

Peter Rodman is a senior fellow at the Foreign Policy Institute of the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University. He has served as deputy National Security Advisor.

Robert Satloff is deputy director of The Washington Institute for Near East Policy. He is the author of *Troubles on the East Bank: Challenges to the Domestic Stability of Jordan* (1986) as well as several studies on the role of Islamic activism in Jordan, the West Bank and Gaza.

Harvey Sicherman, former special assistant to Secretary of State Alexander Haig, previously served on the State Department's Policy Planning Staff. He is currently the President of the American Security Council Foundation and is the author of *Palestinian Self-Government (Autonomy): Its Past and Its Future* (The Washington Institute, 1991).

Walter Slocombe, former deputy undersecretary of defense for policy planning under President Carter, is a partner at the law firm of Caplin & Drysdale.

Steven Spiegel is professor of political science at the University of California at Los Angeles. He is the author of *The Other Arab-Israeli Conflict: Making America's Middle East Policy, from Truman to Reagan* (University of Chicago Press, 1985).

Dov Zakheim is the executive vice president of the Systems Planning Corporation and former deputy undersecretary of defense for planning and resources in the Reagan Administration.

RECENT PUBLICATIONS OF THE WASHINGTON INSTITUTE

Democracy and Arab Political Culture—A Washington Institute Monograph by Elie Kedourie

Peace Process Briefing Book—An authoritative guide to the Arab-Israeli peace process with maps and documents

GulfWatch Anthology—A collection of day-by-day analyses of the Gulf crisis by the scholars and associates of The Washington Institute

From War to Peace in the Middle East?—Proceedings of The Washington Institute's 1991 Annual Policy Conference featuring Richard Haass, Dan Meridor, Les Aspin, Ze'ev Schiff and Hanna Siniora

Islam and the U.S.: Challenges for the 1990s—Proceedings of The Washington Institute's 1992 Annual Soref Symposium

After the Storm: An American Strategy for the Postwar Middle East—The interim report of The Washington Institute's Strategic Study Group

Security for Peace: Israel's Minimal Security Requirements in Negotiations with the Palestinians by Ze'ev Schiff

POLICY PAPERS SERIES

Policy Paper 31: *Arming for Peace? Syria's Elusive Quest for "Strategic Parity"* by Michael Eisenstadt

Policy Paper 30: T*he Economic Consequences of the Persian Gulf War: Accelerating OPEC's Demise* by Eliyahu Kanovsky

Policy Paper 29: *King Hussein's Strategy of Survival* by Uriel Dann

Policy Paper 28: *The Arrow Next Time?: Israel's Missile Defense Program for the 1990s* by Marvin Feuerwerger

Policy Paper 27: *Palestinian Self-Government (Autonomy): Its Past and its Future* by Harvey Sicherman

Policy Paper 26: *Damascus Courts the West: Syrian Politics, 1989-1991* by Daniel Pipes

Policy Paper 25: *Economic Consequences of Peace for Israel, the Palestinians, and Jordan* by Patrick L. Clawson and Howard Rosen

Policy Paper 24: *The Future of Iraq* by Laurie Mylroie

POLICY FOCUS SERIES

Policy Focus 19: *Hamas: The Fundamentalist Challenge to the PLO* by Clinton Bailey

Policy Focus 18: *Baghdad Between Shi'a and Kurds* by Ofra Bengio

Policy Focus 17: *The Arab States and the Arab-Israeli Peace Process: Linkage or Disengagement?* by Barry Rubin

Policy Focus 16: *Towards Middle East Peace Negotiations: Israeli Postwar Political-Military Options in an Era of Accelerated Change* by Dore Gold

For a complete listing or to order publications, write or call The Washington Institute for Near East Policy, 1828 L Street, NW, Suite 1050, Washington, D.C. 20036
Phone (202) 452-0650, Fax (202) 223-5364

THE WASHINGTON INSTITUTE'S STRATEGIC STUDY GROUP

STEERING GROUP

LES ASPIN
WILLIAM COHEN
ALEXANDER HAIG
JEANE KIRKPATRICK
SAMUEL W. LEWIS
ROBERT C. McFARLANE
WALTER MONDALE
SAMUEL NUNN

CONVENERS

MARVIN FEUERWERGER
MARTIN INDYK

STUDY GROUP

MADELEINE ALBRIGHT
BRIAN ATWOOD
GRAEME BANNERMAN
ALVIN BERNSTEIN
PATRICK CLAWSON
ELIOT COHEN
STUART EIZENSTAT
CHARLES HILL
ROBERT E. HUNTER
GEOFFREY KEMP
CHARLES KRAUTHAMMER
ROBERT LIEBER
EDWARD LUTTWAK
MICHAEL MANDELBAUM
RICHARD MURPHY
ROBERT MURRAY
LAURIE MYLROIE
JANNE NOLAN
DANIEL PIPES
ALAN PLATT
JAMES ROCHE
PETER RODMAN
ROBERT SATLOFF
HARVEY SICHERMAN
WALTER SLOCOMBE
STEVEN SPIEGEL
DOV ZAKHEIM