
The Middle East: U.S. Policy and the Search for Peace

By

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Thank you, ladies and gentlemen. It is a pleasure to be with you today. I want to thank the Institute of World Affairs for co-sponsoring this event and, in particular, your Director, Dr. Baumann, for this opportunity to talk about our foreign policy toward the Middle East.

Foreign policy in a democracy is only as strong as the public support it receives. Town Hall meetings such as this are an important opportunity to tell you about our foreign policy initiatives and to ask for your support in carrying our message to the American public. So I look forward to your comments and questions after my remarks.

Our talk comes at a pivotal moment. In the aftermath of the Cold War, we have an obligation to take a fresh look at the United States role in the world. For five decades, the United States has been at the center of world affairs—forging links with other nations, building international institutions, and helping defend those who share our values.

Americans have carried the burdens of leadership with dignity, goodwill, and success. But now there are increasing calls for the United States to withdraw from the world stage, scale back its commitments abroad, and focus more exclusively on problems at home.

U.S. INTERESTS IN THE MIDDLE EAST

The Middle East provides vivid proof that the United States has enduring interests abroad that must be safe-guarded. Instability in the Middle East carries unique dangers. It can threaten the security of close friends such as Israel, Egypt, and other states in the region. It can threaten our NATO partners in Europe. It can threaten our ability to protect vital Persian Gulf oil supplies. It can bring new outbreaks of terrorism to our shores. And it can ignite a race to acquire weapons of mass destruction.

The U.S. cannot remain indifferent to challenges of this nature. That is why we are doing our utmost to resolve conflicts in the area now. Picking up the pieces later would be much more expensive in blood and treasure and less effective.

Securing a just, lasting, and comprehensive peace between Israel and its Arab neighbors is a key priority of our overall foreign policy. Progress toward peace, in turn, bolsters other key, long-standing U.S. interests in the region, which include:

- Maintaining our commitments to Israel's security and well-being;
- Building and maintaining security arrangements to preserve stability in the Gulf region and commercial access to its petroleum reserves;

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- Checking the proliferation of weapons of mass destruction and the systems to deliver them;
 - Combating terrorism;
 - Ensuring fair access to the region for American business; and
 - Promoting more open political and economic systems and respect for human rights and the rule of law.

The United States is engaged on a number of fronts to advance these goals. Our two biggest areas of initiative are the peace process and Gulf security. Let me begin with a brief review of where we are heading with the peace process.

THE PEACE PROCESS

Even a quick look at the Arab-Israeli landscape shows that we have entered a new and exciting era. The breakthrough came when Israel and the PLO signed their Declaration of Principles on the White House lawn two years ago this month. Since then, negotiations have been moving forward, Jordan and Israel have concluded a full peace treaty, and Arab nations have begun to dismantle the economic boycott of Israel.

These accomplishments have not come without a great deal of hard work. In June, the Secretary of State made his 12th visit to the region in 2½ years. The Secretary met, as he usually does, with key leaders from Egypt, Israel, Jordan, Syria, and the Palestinians to review the status of negotiations, overcome roadblocks, and move the process forward.

BILATERAL NEGOTIATIONS

Jordan and Israel continue to implement their treaty of peace—the second between Israel and an Arab state. President Clinton's participation in the signing ceremony last October underscored our strong support for the great step these two countries have taken.

These states have now begun to formulate plans for a series of joint development projects dealing with the environment, water, energy, and tourism. This week, we expect them to sign an aviation agreement, which will lead to regular flights between Tel Aviv and Amman. As Prime Minister Rabin has emphasized, the Israel-Jordan treaty and the many areas of interaction and cooperation that flow from it represent a model for the area.

ISRAEL-SYRIA

The Israel-Syria negotiations moved at a slower pace but have, nevertheless, commanded a good deal of our attention over the past few months. The issues under consideration are out on the table, including withdrawal and borders, security arrangements, the nature of peace, and the timing and interphasing of these elements.

As a result of Secretary Christopher's June visit, Israel and Syria agreed on a series of steps to advance the negotiations. The Syrian and Israeli Chiefs of Staff met in Washington under U.S. auspices at the end of June to discuss security issues. Ambassador Dennis Ross then consulted with the leaders in the area in mid-July. The third step in this sequence would be for military experts to begin meeting in Washington parallel to ambassadorial discussions, and we are still working on the right timing and conditions to have that happen.

It is clear that significant gaps remain. The United States is closely involved in supporting efforts to reach an agreement, but the onus clearly rests on the parties themselves.

ISRAEL-PLO

The most dynamic and sensitive element in the peace talks today is the Israeli-Palestinian track. The ongoing negotiations to implement the next stage of the Declaration of Principles have been tough and protracted. However, this should not distract us from the revolutionary significance of what is happening. Israelis and Palestinians are developing a new relationship based on solving their differences through peaceful negotiation.

In the past two years, Israeli forces have withdrawn from Gaza and Jericho. The Palestinians have assumed authority over education, taxation, social welfare, health, tourism, and other aspects of their daily lives. Aid from the United States, Europe, and other parts of the world is helping Palestinians build new institutions and infrastructure, bringing positive changes on the ground. Private capital is, today, fueling a modest construction boom in Gaza, reflecting new faith in the future.

Israel and the Palestinians are now on the verge of an agreement to implement the second stage of the Declaration of Principles. This step involves complex, interrelated negotiation on three issues:

- Transferring additional areas of authority to the Palestinians;
- Redeployment of Israeli forces in the West Bank; and
- The holding of elections for a Palestinian council.

The issues are intricate and politically charged. The two sides are negotiating hard and in good faith. They have indicated that they would like to come to Washington for final signature of this agreement. We would welcome that, but they must reach full agreement first.

This brave path is also a path of risk and sacrifice. As the recent bus bombings in Tel Aviv and Jerusalem remind us—and also the violent acts of extremist settlers—rejectionists are doing their utmost to derail the process. It is a testament to the leadership of Prime Minister Rabin, Foreign Minister Peres, and to the Israeli people that terrorist incidents, terrible as they are, have not thrown them off balance or undermined their determination to achieve a secure peace.

Israel's Palestinian partner in the negotiations, led by Chairman Arafat, condemned the attacks and worked closely with Israel to foil further attacks. Over the last few months, the Palestinians have been increasingly effective in preempting terrorist attacks, as well as in arresting and trying those seeking to engage in violence against Israelis.

Successful conclusion of these negotiations will further vindicate the peacemakers and bring new possibilities for progress. Holding Palestinian elections before the end of this year or early next year would constitute a real breakthrough. This agreement also will provide the basis for more effective security cooperation between the Palestinians and Israel. Cooperation has improved in recent months, as Prime Minister Rabin has acknowledged, but even more must be done to stem terrorism and establish respect for the rule of law.

ISRAEL-LEBANON

Progress has been slow in the Israel-Lebanon negotiations. The issues are clear: The Lebanese seek a full Israeli withdrawal from southern Lebanon. Israel claims neither land nor water from Lebanon but justifiably wants security on its northern border. As Syrian-Israeli talks progress, we would expect a reactivation of the Lebanese-Israeli negotiations. We support Lebanon's independence, sovereignty, and territorial integrity and share the hope of the Lebanese people for a country secure and at peace, free of all foreign forces.

MULTILATERAL NEGOTIATIONS

Other changes in the region demonstrate the power of the peace process to catalyze regional stability and cooperation. I would highlight, in particular, the activities taking place under the multilateral track of the peace process, which we co-sponsor with the Russians. For some three years now, the multilateral working groups have been bringing together representatives of Israel, the Palestinians, 13 Arab countries, and more than 30 parties from outside the region to address issues related to water, the environment, economic development, refugees, and arms control and security.

These negotiations are breaking down barriers and creating new patterns of interaction between Arabs and Israelis, both on a personal and professional level. They also provide a forum for regional parties to devise cooperative solutions to common problems. The Water Resources Working Group, for example, is in the process of creating a desalination research center in Oman. The negotiations have created an environment for progressively dismantling the Arab boycott, which I am pleased to say is becoming more and more a relic of the past. The steady and relatively unsung progress on the multilateral level of negotiations foreshadows the kinds of regional cooperation that can emerge in an era of comprehensive Arab-Israeli peace.

AMMAN ECONOMIC SUMMIT

Another important focus of regional peacekeeping is our effort to foster regional and private sector initiatives through the economic summit process. The Middle East/North Africa Economic Summit, scheduled to be held in Amman, Jordan, in late October, will provide a forum for international business and Middle Easterners to explore new commercial opportunities opened up by the peace process. This region has a wealth of resources, including a well-educated population of over 100 million, a rich culture and history, enormous natural resources, and critical transportation routes. Yet regional conflicts, as well as statist and protectionist economic policies, have prevented the region from realizing its economic potential.

The Amman summit can serve as an impetus for economic change. It deserves strong support. We expect high-level representation from many nations to help take this second step of the summit process. Last year's inaugural economic summit in Casablanca brought together 61 official delegations and more than 1,000 business executives.

The Amman summit will be both more selective and more oriented toward the private sector than was the Casablanca meeting. The goal is to stimulate networking among key decision-makers and allow businesses to shop new ideas. Summit organizers have outlined four key goals for the summit:

First, moving forward with new institutions—a development bank for financing regional and private sector development, as well as a business council and tourism board;

Second, encouraging regional states to liberalize their economies and develop a free-market approach;

Third, deepening contacts between government and the private sector and within the private sector itself; and

Finally, preparing actual development projects in the region. We expect there will be an emphasis on projects involving more than one country.

We have no illusions that prosperity will come quickly or easily to this region. But the groundwork is being laid, and new institutions are emerging to underpin business activity. Now is the time for creative and energetic firms to gain a foothold in the unfolding Middle East market.

THE GULF: SECURITY CHALLENGES

Let us turn now to the other area of priority interest for the United States in the Middle East—the Persian Gulf. Just as we seek to forge new economic relationships in the Arab-Israeli context, we are committed to sustaining our economic and security partnerships with the Gulf states. U.S. business has deep roots in the Gulf. American firms helped build key industries and infrastructure. We want to add new dimensions to these historical ties to ensure that our commercial relations continue to grow.

Our foremost national interest in the Gulf is to maintain the free flow of oil to the U.S. and our allies. This region contains more than two-thirds of the world's proven oil reserves. We depend on the Gulf for half of our oil imports—fully one-fourth of our daily oil consumption. U.S. policy seeks to protect our friends and vital interests in the Gulf against the twin dangers of monopoly and conflict.

The chief threats in the Gulf today are from Iran and Iraq. Powerful in regional terms, the dictatorship in Iraq and the theocracy in Iran openly declare their enmity to the United States and threaten the interests of our friends and allies as far away as Japan. Over the past two years, the Administration has led two tough-minded international efforts to contain the threat posed by both countries and to force them to bring their behavior into line with accepted international standards.

While we can claim considerable success in limiting and countering the military capabilities of these rogue regimes, their ambitions to acquire weapons of mass destruction and to dominate the Gulf, continue, as does their support for terrorism as an instrument of policy. Let's look briefly at each of these challenges.

IRAQ

Iraq's invasion of Kuwait in 1990 was a mind-boggling act of 20th-century piracy, the unprovoked occupation of a small, peaceful but very wealthy neighboring state and fellow member both of the Arab League and the United Nations. It also directly confronted U.S. and Western interests. Had the U.S. not organized and led an effective international coalition to roll back this aggression, Saddam Hussein might well have gotten away with it and become a regional superpower with dark and far-reaching consequences for us all.

U.S. policy toward Iraq today is clear: Iraq must fulfill all its obligations under UN Security Council Resolutions. Security Council Resolution 687, which ended the Gulf war and

set terms for the cease-fire, makes explicit the Council's need to be assured of Iraq's peaceful intentions.

Events in recent weeks serve as a reminder that Iraq's intentions are anything but peaceful. The defection of Saddam Hussein's son-in-law and chief weapons builder last month forced Iraq to acknowledge the extent of its biological and nuclear weapons programs. These revelations come after more than three years of deliberate attempts to deceive and mislead United Nations inspectors. Only the most thorough and painstaking investigation carried out in a sustained way, including within Iraq, will determine whether we have been able to uncover and root out all the strands of Iraq's weapons of mass destruction programs.

Iraq also comes up short on other requirements imposed by the Security Council resolutions. It has finally recognized Kuwait's sovereignty, but it has failed to account for Kuwaiti missing in action. Iraq also has failed to return vast amounts of stolen Kuwaiti property, including Kuwaiti military equipment now in the hands of Iraqi Republican Guard units. Finally, Iraq continues to practice terrorism and apply barbaric acts of repression against its own citizens.

It is not the task of the Security Council to help Iraq find a way out of the sanctions regime by complying with as few of the requirements as possible. Nor is it true, as Iraq has claimed, that sanctions are to blame for the suffering of the Iraqi people. That responsibility falls squarely on Saddam Hussein's shoulders. His callous indifference to the welfare of his people was highlighted in April when Iraq rejected a U.S.-crafted resolution that would simplify the procedures for Iraq to sell oil [in order] to purchase food, medicine, and humanitarian supplies.

It has been just over five years now since Iraq invaded Kuwait. Thousands of American soldiers were involved in halting and reversing the aggression. I wish we could say that the threat was over. It has been contained and with vigilance will continue to be, but we must remain firm in the Security Council, with our allies, and in the region to ensure that Iraq cannot and does not make war again on our vital interests.

IRAN

Iran represents a different—and in some ways more complex—challenge to U.S. interests. Its revolutionary Islamic regime poses a threat to our interests by pursuing weapons of mass destruction, sponsoring terrorism and violence designed to undermine regional stability and the peace process, attempting to destabilize neighbors, and abusing human rights. We seek to increase pressure on Tehran to abandon these policies which threaten us and our friends in the region.

President Clinton's decision in May to impose a trade and investment embargo against Iran affirmed U.S. leadership and determination to confront the Iranian challenge. The embargo is already fulfilling two important objectives. First, it has tightened the economic pressure on the Iranian regime. Iran is having trouble finding customers for the oil previously purchased by U.S. companies, and hard currency is in short supply.

Second, the embargo has strengthened our hand in urging other states to pressure Iran in similar ways. Since we imposed the embargo, Iran's key trading partners have not extended any new official credits. Japan continues to postpone a \$540-million installment on a loan to build a hydroelectric dam in Iran.

We continue to seek multilateral support for our initiative to bring Iranian behavior into line with accepted international standards. At the G-7 Summit in Halifax this June, we urged our allies to enhance their economic support for our efforts. Our diplomacy has also consolidated consensus among 23 Western governments—along with Russia—to sign no new contracts with Iran for sophisticated weapons systems or sensitive dual-use technology. Russia has also agreed to limit and review with us its nuclear cooperation with Iran, under the Gore-Chernomyrdin Commission established in May. We are continuing a high-level dialogue to persuade the Russians of the dangers and disadvantages of working with Iran in the nuclear field, including the up to four nuclear reactors they have contracted to provide to the Iranian power industry.

President Clinton has accepted the challenge of leading the international community in imposing constraints on Iran. We must recognize that it will take months, if not longer, before we can fully assess the impact of the new U.S. sanctions. In the meantime, we will continue to engage our major trading partners—notably Canada, the EU, and Japan—to limit their commercial ties with Iran and raise the economic cost even higher to Tehran's leaders of maintaining their destabilizing policies.

CONCLUSION

In this brief review of U.S. policy toward the Gulf and the peace process, I have tried to highlight both the opportunities and the dangers. It is gratifying that, after many years of conflict, people and governments in the region are taking major steps toward more peaceful and cooperative relations. We are committed to furthering this trend by encouraging negotiations, promoting regional cooperation, and providing political and economic support to the region's peacemakers.

At the same time, there is much more work to be done to secure regional achievements. Old fears and suspicions will not disappear quickly. Saddam Hussein's continued defiance of international norms and Hamas' campaign of terror serve as reminders that the forces of hatred and extremism still stalk the Middle East.

At times these events can appear quite distant, but on an increasingly small planet, the interdependency lies just beneath the surface. Only America can wear the mantle of leadership, not just in combating enemies and threats, but in building a world that reflects our ideals and promotes our interests. Only the United States can play the role of honest broker to bring the Israelis and Arabs together. And only American can forge the coalition which defeated Saddam Hussein and which now contains Iraq's and Iran's ambitions. With the support of the American public and solid friends in the region, we will succeed.