

**Review  
of  
the  
Year**

**UNITED STATES**

# Civic and Political

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## Intergroup Relations

**M**ANY OF THE SPECTERS haunting the consciousness of American Jews materialized at some point during 1986. Organized anti-Semitic groups made front-page news, some of them trying to turn economic crisis in the farmlands to their advantage. A Jewish Wall Street financier was caught in some illicit and profitable deals. There were continuing attempts to "Christianize" America. And an American Jewish spy was arrested for turning over valuable American secrets to Israel. By the end of the year, these specters seemed to have receded, but many Jews were left feeling distinctly uneasy.

### *Extremism*

In February ten members of the neo-Nazi gang called the Order were convicted by a U.S. district court in Seattle of a series of violent actions connected with their expressed desire to establish an Aryan society. At least two murders were cited, including the 1984 machine-gun slaying of Alan Berg, a Jewish radio personality in Denver. The group was also charged with raising more than \$4 million through armed robberies.

While the Order suffered a severe blow when many of its leaders were given prison sentences ranging from 40 to 100 years, similar groups continued to function. The Aryan Nations, for example, of which the Order was an offshoot, later in the year made the news on its own. In July, when the Aryan Nations World Congress convened in Hayden Lake, Idaho, the media reported an orgiastic display of cross burnings, Nazi salutes, swastikas, and automatic weapons. Although the Aryan Nations was an umbrella for an assortment of neo-Nazi and KKK groups, as an entity it had a special mission of its own. A document titled "Declaring a Territorial Sanctuary" laid out an elaborate plan for assembling American whites, not including Jews, under their own government in the Northwest states, while the rest of the population would be consigned to "the ZOG, the Zionist Occupation Government." Members of the Aryan Nations signed a "Declaration of War Against 'The ZOG.'"

In October 22-year-old Robert Pires, who frequented the Aryan Nations compound in Idaho, was arrested on three counts of bombing. During the previous

month, Pires had bombed the home of a Catholic priest, a luggage store, and the federal building in Coeur d'Alene, seven miles from the Idaho headquarters of the Aryan Nations. One of the chief developers of Coeur d'Alene had been placed on the Aryan Nations "hit list" as "one of the ten worst Jews in town," although he was not Jewish; and the priest had been described in Aryan Nations literature as a "rabbi in disguise."

Earlier in the year, a bomb-wielding couple had entered a school in Cokeville, Wyoming, where they held 150 children hostage and demanded several million dollars to finance a white supremacist homeland. One of their bombs exploded, burning a number of the children, and the two kidnapers committed suicide. Among their papers was found material from several of the centers of organized bigotry, notably Posse Comitatus, a long-standing organization which combined bigotry with resistance to the income tax. During the year, eight members were indicted for engaging in illegal paramilitary training near Fresno, California, and one of its founders, a former army colonel who specialized in anti-Semitic diatribes, was charged in Las Vegas, Nevada, with threatening to kill a judge and assorted IRS agents.

The theme of bigoted violence was heightened by reports from the Anti-Defamation League (ADL) that both the U.S. Armed Forces and the prison system had been infiltrated by extremists. In July three marines at Camp Lejeune were discharged for participating in rallies and paramilitary exercises staged by the White Patriot party, formerly known as the Confederate Knights of the Ku Klux Klan. Defense Secretary Caspar Weinberger ordered a crackdown in a September memorandum which said that "military personnel, duty bound to uphold the Constitution, must reject participation in such organizations." The American Civil Liberties Union objected that the Weinberger memorandum violated First Amendment rights, but the Defense Department explained that it was not prohibiting belief or even membership, only such activities as public demonstrations, recruiting, and training.

The ADL reported in June that a number of prison gangs throughout the country, including the widespread Aryan Brotherhood, were linked up with the Aryan Nations. Some objections were voiced that the attempt to make such linkages violated the religious freedom of convicts, some of whom, for example, were members of an Aryan Nations invention, the "Church of Jesus Christ Christian." Illinois prison officials refused to acknowledge the religious legitimacy of such a group, and their decision was upheld by a U.S. district court.

The primary channel through which the Christian religious emphasis penetrated the organized network of bigotry was Christian Identity, another umbrella group with which organizations such as the Aryan Nations, Posse Comitatus, and the Ku Klux Klan were associated. Its underlying theme was Christian white supremacy: white Anglo-Saxons are the lost tribes of Israel, Jews are the children of Satan, and the black, brown, and yellow races are "pre-Adamic" inferiors. As an entity, Christian Identity distinguished itself during the year by attacking Christian fundamentalists for supporting Israel.

## LYNDON LAROCHE

In addition to the groups preaching violence with a Christian religious patina, there were troubling developments in the political arena, mainly in the form of Lyndon LaRouche and his associates. LaRouche had been an obscure figure on the fringes of the American political scene since the end of World War II. At first, he moved in left-wing radical student circles, sometimes as a Trotskyite, and stayed in those environs until the 1970s. At that point he began to shift to right-wing politics, citing the danger of the Soviet threat, and quickly became one of the most fanciful purveyors of conspiracy theories. LaRouche's list of conspiratorial villains was long and bizarre, including Queen Elizabeth as an international drug-dealer, but he blamed most of the world's problems on the Rockefellers and the Jews. One LaRouche watcher, journalist Dennis King, reported to a Jewish meeting that his "grand design is Hitlerism, but reworked to appeal to America in the 1980s." His organizational fronts were chameleonlike, changing names frequently, often including the words "Labor" or "Democratic." He acquired a relatively small but cultishly devoted band of followers, including some of Jewish ancestry.

Without revealing their connection to LaRouche, hundreds of his followers quietly entered the 1986 political campaign lists in two dozen states, most of them as purported Democrats. The nation's media suddenly blossomed with this news in March, after two of his followers won the Democratic party's primary election as nominees for lieutenant governor and secretary of state in Illinois. The Democratic party was shaken by this development, and its gubernatorial candidate, Adlai E. Stevenson III, withdrew from the official ticket to run as an independent. The Jewish community was no less shaken. In the subsequent journalistic investigation it was revealed that there had been well over a hundred LaRouche candidates for congressional and gubernatorial seats and uncounted hundreds for state and local posts.

There was no dearth of explanations for the startling primary victory in Illinois. With voter turnout low, the two LaRouche candidates were able to win the primary with the support of only 6 percent of the state's registered voters. In addition, all LaRouche candidates hid their connections and their agendas, running mainly on the issues of unemployment, crime, and drugs. However, even given the explanations, and even admitting the ignorance of the voters about LaRouche, the results were disturbing. There was, for example, an inescapable ethnic note in the election. LaRouche's candidates in Illinois were named Fairfield and Hart; their opponents in the Democratic primary were Sangmeister and Pucinski. One voter said, "I voted for [the winners] because they had smooth-sounding names."

Many of the extremist groups, including LaRouche's, continued to concentrate their efforts on the economically embattled farmers of the Midwest. In July the president of the Illinois American Agricultural Movement issued a statement to the press, repudiating any relationship with LaRouche. Admitting that the movement had been initially attracted to LaRouche—"In some terms, they can be convincing"—he stated that "deeper study" had rendered LaRouche unacceptable. Still the

potential attraction of these groups struck a historic chord. A prime enemy of the farmer struggling with bankruptcy and foreclosure had always been "the banker." Earlier American farm movements had coalesced around opposition to the Eastern banking establishment, and on the edges of those movements had often lurked the age-old image of "the Jewish moneylender." Echoes from that past still reverberated. One candidate for public office in Nebraska, a farmer, recommended in his campaign booklet that voters read *Spotlight*, the durable publication of the anti-Semitic Liberty Lobby. Another Nebraska candidate was associated with a meat-packer who had placed ads claiming that a Zionist-Jewish conspiracy controlled the American economy.

Acknowledging the heightened activity among farmers by extremist groups and the potential danger, the Jewish community mounted some remedial efforts. In the spring, the American Jewish Committee, along with the Catholic diocese, the United Methodist Church, and the Episcopal diocese of the region sponsored a conference of religious leaders in northern Kentucky and southern Ohio. The participants discussed proposals for outreach to farmers and their families and the development of interreligious agencies to aid distressed farmers, as well as issuing public statements against extremist groups. A similar conference was held in Wichita, Kansas, and in Indiana the Indianapolis Jewish Community Relations Council and the Indiana Rural Crisis Inc., comprising local farmers, formed a working coalition. The major objective of these activities was to combat the extremist groups; a secondary goal was to find ways in which the Jewish community could join in easing the farmers' plight, with legal and financial advice and by lobbying for appropriate legislation.

#### EXTENT OF EXTREMISM

What was the Jewish community to make of the apparent upsurge in extremism? On the one hand, there was plenty of good news by the end of the year, suggesting that the forces of organized bigotry in America had more bark than bite. The membership of the various groups was overlapping and small by usual standards. Law enforcement agencies put the formal membership of the umbrella Aryan Nations at several thousand. The Center for Democratic Renewal in Kansas City, an anti-extremist coalition, estimated that there might be 15,000 followers in an area comprising some 35 million people. And the American Jewish Committee reported in November that the growth rate of these extremist organizations had not risen in several years, although the level of individual violence had increased. The National Jewish Community Relations Council concurred, but warned in a paper prepared for its annual plenary conference in December that "while hate groups continue to decline in numbers, their sense of desperation that has resulted in acts of violence remains a concern."

The degree to which extremist groups are repudiated by the establishment is an important index of their real standing. Throughout 1986 these groups were

vehemently and uniformly condemned by a mainstream spectrum of religious representatives. While the Aryan Nations was holding its congress, the governors of the five states designated as the future white homeland all issued strong condemnations. There was support from no significant quarter.

All the extremist candidates for major office were soundly defeated at the polls. Most of the LaRouche candidates received 10 percent or less of the votes. The two Nebraska candidates received less than 5 percent of the votes. After the Illinois primary, the April *New York Times*/CBS News poll found that 1 percent of Americans had a favorable opinion of LaRouche. A Harris poll conducted in rural Iowa and Nebraska at the end of January found that while eight out of ten people blamed Congress for their problems, and as many blamed the banks and the Reagan administration, only about one out of ten was willing to blame "certain religious groups, such as Jews."

Examined clinically, the influence of the organized extremist groups did not finally seem to be substantial or growing. On the other hand, there was an obvious propensity for violence in their ranks, there were LaRouche's political antics, and, as a result, there was much media attention. Consequently, the Jewish community was not at ease, especially since other troubling events were taking place at the same time.

### *Anti-Semitism*

The names of Jonathan Pollard and Ivan Boesky weighed heavily on Jews in late 1986. They were not inventions of the organized bigots but real actors in sordid dramas which many feared would directly affect American attitudes toward Jews.

Jonathan Jay Pollard, an American Jew and former civilian intelligence analyst for the U.S. Navy, had been arrested in November 1985, charged with spying for the State of Israel. His wife, Anne Henderson Pollard, was charged as an accomplice. (See *AJYB*, vol. 87, 1987, pp. 161-63 and 293-94.) According to federal prosecutors, Pollard had made contact with a high-ranking Israel Air Force officer in the United States in 1984 and offered to supply classified "scientific, technical and military" information that could be useful to Israel's defense. For a year and a half, every two weeks, Pollard delivered secret documents in a suitcase to a secretary at the Israeli embassy in Washington. At the time of his arrest he had received a total of \$45,000 from the Israelis and been promised much more to come. In June Pollard pleaded guilty to the charge. Four Israelis, none of them by then in the States, were named as conspirators by the Justice Department but were not indicted. At year's end, Pollard was in a federal prison in Petersburg, Virginia, awaiting sentencing.

When the story first broke, the Israeli government apologized, labeled the operation "rogue," disbanded the unit responsible, and, without precedent, allowed American officials to come to Israel to investigate. President Ronald Reagan publicly announced that he accepted the Israeli explanations, and government and defense attorneys alike made it clear that both sides hoped to avoid a trial. While

there was some grumbling in the congressional cloakrooms, the direct political damage to Israeli-American relations seemed under control. Still, there were too many unanswered questions, and too many disturbing implications, for the matter to be swept aside so easily.

While most American Jews condemned Pollard as a criminal, he was not without defenders. They claimed either that his mission had been limited to gaining American intelligence about military matters in the Arab states, which U.S. intelligence had been unwilling to share, such as the Soviet weapons which they held, or simply that spying among friends was not uncommon. Rejecting such claims, the *New Republic*, a journal notably friendly to the State of Israel, struck a note not usually heard when it stated in a June 30 editorial that the relationship between the two countries was "in no way symmetrical." It explained: "Our ties to Israel are based on conviction and preference. Israel's ties to us are based on necessity. . . . The U.S. had been more than understanding and more than supportive of those needs. . . . This American support creates certain prerogatives for the U.S. It also creates certain obligations for Israel, and one of these is that it behave with scrupulous honor and honesty to its friend."

In addition to the question of Israeli-U.S. relations, the fact that Pollard was an American Jew raised fears in many minds that the issue of "dual loyalty" would stir up anti-Semitism. For while Pollard had received \$45,000 from Israel in payment for his espionage, he and his wife insisted that their primary motivation was love for Israel.

While it was still too early to gauge accurately, there was some evidence that the Pollard episode had not directly increased the anti-Semitic quotient among Americans. For years the major survey organizations had put the "dual loyalty" question to the American public: "Do you think most American Jews are more loyal to Israel than to the U.S.?" About a quarter of the American people had always responded affirmatively to this question. In June (after Pollard's arrest but before his guilty plea) the Roper poll found that 24 percent answered affirmatively to the "dual loyalty" question, essentially unchanged from 27 percent in 1985 and 25 percent in 1984.

The poll notwithstanding, the possible effect of a derailed American-Israeli relationship on American Jews remained a troubling and largely unexplored question. After all, the American Jewish community was visibly engaged in promoting American support of Israel. The polls showed a significant portion of the American public both aware and tolerant of this activity because it viewed American support of Israel as being in America's best interest. Perhaps the most damaging aspect of the Pollard affair was the implication that the interests of the two countries were at times divergent, in which case "dual loyalty" was not such a benign matter. This concern was aggravated by growing revelations in November and December about Israel's role in secret arms shipments to Iran and the diversion of funds from those sales to Nicaraguan *contras*. As investigations into these matters got under way, it

became evident that Israel's foreign-policy objectives were not always the same as those of the United States.

The second major scandal (there were lesser ones, too, during the year, such as corruption among New York City officials, many of them Jews) involving a Jew made the news in November. Ivan Boesky, a New York arbitrager, pleaded guilty to having made huge profits as a result of illegally using corporate "insider" information to which he had been privy. Following a lengthy investigation, the Securities and Exchange Commission announced that Boesky had been banned from professional stock trading in the United States and had agreed to pay \$100 million in penalties.

Not only was Boesky Jewish, he was a highly identified Jewish community leader and philanthropist. The *New York Post* ran a three-year-old picture of him, wearing a yarmulke, being held aloft by a rabbi and others, as he was being honored for donating \$2 million to the Jewish Theological Seminary. He had also been the U.J.A./Federation campaign chairman in New York for a two-year period ending in 1985, and had pledged over \$1 million to Princeton University for a Jewish student center and other purposes.

The case against Boesky grew out of a wider investigation of Wall Street professionals involved in insider trading. A key figure was Dennis B. Levine, an investment banker who had been charged several months earlier with illegal insider trading, and who was in fact Boesky's prime source of information about impending takeovers. Other Jewish names predominated as the investigation widened. *Newsweek*, in its December 1 issue, reported: "Boesky, Levine and others implicated earlier this year are Jewish; so are many now being connected with the investigation. The talk on Wall Street this week included some ethnic jokes along with more disparaging remarks about Jews. . . . 'That's definitely an undercurrent and it's quite disturbing,' says Ira Sorkin, a former SEC official."

Given the "financier" context, many Jews felt that the Boesky trauma was the most harmful the Jewish image sustained during the year, although some maintained that the damage was mainly restricted to those Wall Street circles which had never been too friendly. The affair left many Jews feeling not only uncomfortable but troubled—particularly as more and more Jewish names surfaced—about ethical standards among Jewish business people, including leaders of the community. (See "Jewish Communal Affairs," elsewhere in this volume.)

A minor episode, but one with disturbing overtones, centered on two leading intellectuals, the left-wing novelist and essayist Gore Vidal and neoconservative Norman Podhoretz, editor of *Commentary* magazine. The March 22 issue of the liberal journal *The Nation* carried an attack by Vidal on Podhoretz, which skillfully amalgamated anti-Semitic and anti-Israel sentiment with a "dual loyalty" attack on American Jews. Characterizing Podhoretz as an "Israeli Fifth Column," Vidal wrote: "Over the years [Podhoretz] has, like his employers, the A.J.C., moved from those liberal positions traditionally occupied by American Jews (and me) to the far

right of American politics. The reason for that is simple. In order to get Treasury money for Israel (last year \$3 billion), pro-Israel lobbyists must see to it that America's 'the Russians are coming' squads are in place so that they can continue to frighten the American people into spending enormous sums for 'defense,' which also means the support of Israel in its never-ending wars against just about everyone." Vidal said he had long recognized that Podhoretz was not planning to become an "assimilated American . . . but rather his first loyalty would always be to Israel." Responding to the attack in a syndicated column in May and in *Commentary* in November ("The Hate That Dare Not Speak Its Name"), Podhoretz labeled the piece "the most blatantly anti-Semitic outburst to have appeared in a respectable American periodical since World War II." Acknowledging that the *Nation* article was part of a long-standing feud between Vidal and himself and his wife, writer Midge Decter, Podhoretz charged that it went far beyond the acceptable "retaliatory strike" by reviving "the two classic themes of anti-Semitic literature—the Jew as alien and the conspiratorial manipulator of malign power dangerous to everyone else." Podhoretz was also troubled by the fact that few liberals came to his defense, even though, as a *New Republic* editorial put it (denouncing Vidal), Vidal's accusations applied not just to neoconservatives but "by extension [to] all American Jews who support Israel."

While the Pollard case, the Iran affair, and, in lesser measure, the Vidal episode, raised questions about the special nature of the American-Jewish relationship with Israel, American public support of Israel, as measured by polls, showed no signs of dwindling. Moreover, general empirical measures of anti-Semitism remained historically low during 1986. In its June poll, Roper asked Americans to name the groups that they thought had too much power, a critical item in the measurement of anti-Semitism. Business corporations, labor unions, and mass media were each named by about 4 out of 10 respondents. Arab interests were named by about 3 out of 10; Orientals, blacks, and the Catholic Church were each named by at least 1 out of 10. Jews were named by less than 1 out of 10—8 percent—unchanged since 1984. Providing support for these findings, the ADL's annual audit found that reported acts of anti-Semitic vandalism against Jews and Jewish property had declined by 7 percent from 1985.

## ELECTIONS

One of the most telling measures of active anti-Semitism is the elective political process. In the 1986 congressional elections, all Jewish incumbents were reelected to the Senate and the House of Representatives. Although there was some shift in names as a result of resignations, the proportion of Jews in the two houses remained the same, 7 to 8 percent, or about three times the proportion of Jews in the population.

In light of the poll findings on anti-Semitism, and given the socioeconomic standing of the Jews and their high level of political activism, that percentage is not

particularly surprising. More surprising is the fact that almost all of those Jewish congressmen were elected by overwhelmingly non-Jewish constituencies. Of the eight Jewish senators, five were elected by constituencies that were 99 percent or more non-Jewish: Republicans Rudy Boschwitz from Minnesota, Chic Hecht from Nevada, Warren Rudman from New Hampshire, Edward Zorinsky from Nebraska, and Democrat Carl Levin from Michigan. The other three represented constituencies with larger, but still small, Jewish constituencies: Republican Arlen Specter from Pennsylvania (3 percent Jewish) and Democrats Howard Metzenbaum from Ohio (1.3 percent) and Frank Lautenberg from New Jersey (5.6 percent). All eight were identified and identifying Jews.

The hard evidence suggests, then, that there was no noticeable rise in anti-Semitism in 1986—despite Boesky, Pollard, the farmland crisis, or the activity of extremist groups. However, in his 1986 survey of American Jewish attitudes prepared for the American Jewish Committee, Steven M. Cohen found that Jews were more troubled than they had been. Whereas in 1984, 40 percent of American Jews agreed that “anti-Semitism is currently not a serious problem,” in 1986 only 26 percent accepted that proposition. Over and above their usual wariness, apparently, Jews had been somewhat traumatized by the events of 1986—and not just by those events which related directly to anti-Semitism.

### *Christian Fundamentalists*

Many Jews continued to be disturbed by various activities of Christian fundamentalists. A chief concern was the appearance of explicitly Christian-oriented sentiments in the political arena. In the fall campaign, the National Republican Senatorial Committee sponsored a radio commercial in several Southern states which referred to the importance of a “relationship with Christ.” Theodore Ellenoff, president of the American Jewish Committee, expressed his group’s concern at “the exclusionary implications of these commercials.” Soon after, the Republican committee announced that it was withdrawing the radio commercial, “after hearing from some of our support groups and Jewish groups.”

Two Jewish congressional incumbents were attacked on religious grounds. Congressman Mel Levine of Los Angeles was attacked by his opponent, Rob Scribner, as being opposed to “nearly everything the Lord’s church stands for.” Scribner urged voters to help “take territory for our Lord Jesus Christ.” In Florida, Congressman Larry Smith’s positions were attacked by his opponent, Mary Collins, as “the antithesis of what the Christian community would prefer.” Both Levine and Smith won their elections handily.

There were a half dozen other reported Christian-oriented campaigns by congressional candidates. Congressman Mark Siljander of Michigan said he should be reelected “to break the back of Satan.” Sen. James Broyhill’s supporters in North Carolina sent out a letter linking his opponent, Terry Sanford, with the one-world government related to the Antichrist. Congressman William Cobey of the same state

described himself as "an ambassador for Christ." A fund-raising letter of candidate Joe Morecraft of Georgia said that "God had provided another man who is willing to serve our Lord in the halls of Congress." Candidate William Costas of Indiana said that he was in the race because of a message from God. Candidate Tom Carter of Texas attacked his opponent, Congressman John Bryant, because he was "rated zero by Christian Voice for his opposition to family and moral issues." In all cases, the explicitly Christian-oriented candidates were defeated.

Concern was aroused, however, as TV evangelist Marion G. (Pat) Robertson talked throughout the year of his probable interest in running for the 1988 Republican presidential nomination. In language chilling to the Jewish community, as well as to many others, TV evangelist Jimmy Swaggart supported a possible Robertson candidacy with these words at a September religious rally: "The possibility definitely exists that the hand that lays on the Bible to take the oath of the highest office of the land will be joined to a shoulder and a head and a heart that's saved by the blood of Jesus and baptized in the Holy Spirit." An NBC News/*Wall Street Journal* survey in July found that among the half of the population who knew Robertson's name, roughly four out of five were opposed to his candidacy.

Among those who attended the fifth annual National Prayer Breakfast, organized in February by Christian evangelical leaders to express support for the State of Israel, were Jerry Falwell, who had just changed the name of the financially ailing Moral Majority to the Liberty Federation, Robertson, and representatives from the Israeli embassy and some of the major American Jewish organizations. In his address, after lauding Israel, Robertson cautioned the Jewish community that "it does not serve your ends to strip the religious symbols [from] the public squares of America, [or to] diminish the faith of evangelical Christians." Thus did he touch on the major bone of contention between many Jews and the fundamentalist Christian leaders.

### *Church-State Relations*

The year 1986 saw a number of fundamentalist initiatives on the church-state front, beyond the failed efforts to introduce sectarian religion in the political campaign.

A group of Christian fundamentalist parents in East Tennessee won an initial victory in a U.S. district court in October, in their attempt to have the public schools accommodate to their religious needs. At issue were some books in a state-approved reading series which these parents found religiously offensive because they included references to "supernatural" telepathy, evolution, and "one-worldism." Also objected to was a first-grade reader in which a little boy cooked, which seemed to suggest that "there are no God-given roles for the different sexes."

After the children of these parents were suspended by the school board for refusing to read the offending texts, a federal judge ruled that they could not be forced to read material that violated their religious beliefs. He suggested that a

reasonable solution would be to let them sit out the class and learn to read at home or elsewhere. Later, seven fundamentalist Christian parents were awarded more than \$50,000 to cover the cost of private reading instruction for their children.

One constitutional lawyer, William Bentley Ball, supported the judge's action on the basis of parental rights as well as the free exercise of religion, saying, "Suppose that, instead of fundamentalist Christians, these plaintiffs were . . . Jews protesting a book calling the Holocaust a fraud, or black parents, a Shockleyite text?" Opposing the decision, another constitutional lawyer, David H. Remes, warned that the attempt "to eliminate from the public-school curriculum all that is religiously objectionable to some religious sect will leave public education in shreds—or make it hostage to the demands of the dominant religions." It was for the latter reasons that major Jewish organizations expressed concern about the Tennessee decision, which would presumably be subject to further appeal.

The mainstream Jewish community continued to make its own way through the complexities of the First Amendment. Assertively espousing the wall of separation on the one hand, it also sought help for its accommodationist needs, though it sometimes felt that its own "fundamentalist" wing went too far in that pursuit. The prime example of the latter was the matter of religious symbols in public places: Christian crosses and nativity scenes balanced by menorahs, which were reportedly placed by the Lubavitch movement on 50 or 60 government sites in the winter of 1986.

The legal rulings on these religious symbols were mixed. In November the U.S. Supreme Court let stand a lower court ruling that prohibited an illuminated cross from being displayed above a firehouse in St. Charles, Illinois. "We are obviously very delighted," said the American Jewish Congress. But during the same season, a federal judge ruled in favor of a nativity scene on Chicago's city hall grounds, and in Los Angeles, a state court refused to bar the display of a menorah in city hall. To add to the confusion, a federal court refused to allow a menorah to be placed on the grounds of the state capitol in Iowa.

Meanwhile, the major Jewish organizations, which opposed the government-site placement of crosses and menorahs alike, supported government accommodations to religious needs in other areas. For example, they applauded the core of a Supreme Court ruling in November in a case brought by public-school teacher Ronald Philbrick against the school board of Ansonia, Connecticut, which had denied him paid days-off on holy days observed by the Worldwide Church of God. The Supreme Court affirmed that employers must attempt to make "reasonable accommodations" to the religious needs of employees, although it did not spell out the exact nature of such accommodations.

In a case that directly concerned Jews, the Supreme Court ruled in March that the Air Force did not have to alter its dress code to allow a Jewish officer to wear his yarmulke while on duty. The decision was the culmination of five years of litigation by Captain Simcha Goldman, a clinical psychologist who had been informed by the commander of Pease Air Force Base in California that when he

testified in a military court wearing a skullcap he was in violation of the dress code. A circuit court of appeals had ruled that the Air Force had complete discretion to decide whether a violation of the dress code would harm its military mission, and the Supreme Court upheld that ruling. The major Jewish agencies mounted a campaign in Congress for legislative relief, but in August the Senate narrowly defeated a measure that would have allowed Jewish members of the military to wear yarmulkes on duty, if it did not interfere with the performance of that duty. Three of the Senate's Jewish members voted against the measure. Jewish agencies vowed to renew their efforts to find a satisfactory solution.

The Satmar Hassidim sought accommodation for their religious needs in two different cases. In Orange County, New York, the Satmar would not permit male students to be driven to their parochial school by the female bus drivers of the school-board transportation system. While the school board initially complied with this request, it reinstated the female drivers after being charged with sex discrimination. The Satmar sued the board, meanwhile providing its own drivers. In the Williamsburg section of Brooklyn, the Satmar demanded that their girls who were receiving remedial instruction in the public schools be physically separated from the rest of the students. The school board initially complied, building a physical barrier, but it was removed after suit was filed by several Hispanic parents alleging sexism and racism.

American society continued to wrestle with the problem of balance between separation and accommodation without a blueprint, as it probably always would. While the major Jewish agencies concerned themselves primarily with legal issues, it was the more subtle "Christianizing" spirit that probably concerned most Jews. They could not but be troubled, for example, by the words of the judge who gave permission for Chicago's nativity scene: "The truth is that America's origins are Christian. . . ." Although America was not "Christianized" by the end of the year, such utterances added to the wary temper of American Jews.

### *Nazis in the U.S.*

The year opened with another revelation about ex-Nazis having been brought to this country after World War II by U.S. intelligence agencies. The *Village Voice* (N.Y.) reported in February that Mykola Lebed, a prominent East European collaborator with the Nazis, had been brought to America in 1948 and given permanent residence by the CIA, under a provision which allowed that agency to import a hundred people a year for national security reasons, regardless of their past. As in the other cases, the CIA had presumably taken this action to improve its intelligence about the Soviet Union.

Meanwhile, the government continued to try to redress its past indifference, or worse, with respect to ex-Nazis living in this country. John Demjanjuk, a retired Cleveland autoworker accused of complicity in sending almost a million Jews to

their deaths, became the first alleged war criminal to be extradited to Israel by the United States. Israel had always considered itself a proper venue for trying war crimes against the Jewish people, but none of its requests for extradition had heretofore been honored. Demjanjuk, a Ukrainian by birth, had already been stripped of his citizenship in 1981 for misrepresenting his past when he came to the United States in 1952. The way was cleared for extradition after a federal district judge in Cleveland and an appeals court heard testimony that Demjanjuk had been a guard at Treblinka, known as "Ivan the Terrible," who had personally tortured and maimed camp inmates as they were herded into the gas chambers. Demjanjuk was deported to Israel in February, after failing to obtain a delay of extradition from the Supreme Court.

Demjanjuk steadfastly denied that he was "Ivan the Terrible" and claimed that it was a case of mistaken identity. Some 40,000 Ukrainian-Americans living in the Cleveland area mounted a campaign to support Demjanjuk's claim, through the Ukrainian Orthodox Church in the Free World and the United Ukrainian Organizations. They received support from Patrick Buchanan, White House director of communications and a syndicated columnist, who wrote in October, after Demjanjuk was indicted in Israel, that Demjanjuk was "a victim himself of a miscarriage of justice," and that his case might be "the American Dreyfus case." Former Israeli supreme court justice Haim Cohen said in November that Demjanjuk should not be brought to trial because after 40 years it would be difficult to provide accurate eyewitness identification. Despite such misgivings, Israel proceeded with elaborate preparations for the trial.

The U.S. Supreme Court upheld deportation orders issued against Boleslavs Maikovskis, a Latvian Nazi collaborator, and Karl Linnas, an Estonian who had been sentenced to death in absentia by the Soviet government. A foreshadowing of their fate came in the spring with news that Feodor Fedorenko, the first Nazi collaborator to have been deported by the United States to the USSR, was sentenced to death by the Soviet authorities, and that Andrija Artukovic, the "Butcher of the Balkans," who had earlier been extradited to Yugoslavia, was sentenced to death by that government. It was also learned that Valerian Trifa, who had been deported as an ex-Nazi to Portugal, died in that country.

The Office of Special Investigations of the Department of Justice, which had prosecuted these cases, reported at year's end that 22 naturalized citizens had been deported as ex-Nazis since the office began its operations in 1979. About 30 more cases were in the courts, and more than 500 investigations were active.

### *Waldheim Affair*

In the course of Kurt Waldheim's campaign for the Austrian presidency, which he won in June, questions were raised about what knowledge U.S. intelligence agencies may have had of his wartime activities. The questions were asked both because of the revelations about the use of ex-Nazis by these agencies and because

UN records were reputed to hold information about Waldheim that was available to government agencies. The questions remained unanswered.

As one indication of U.S. displeasure with Waldheim's election, the U.S. ambassador to Austria was conveniently "out of the country" at the time of Waldheim's inauguration. Then, Secretary of State George Shultz made his appearance at an international conference in Vienna contingent upon his not meeting with Waldheim, even casually. The organized Jewish community campaigned for the U.S. government to place Waldheim on its "watch list," which would normally bar his entrance into this country. Attending a rally outside the Department of Justice building toward that end, just days before the Waldheim election, former congresswoman Elizabeth Holtzman said that his election would be part of a "growing trend to deny the Holocaust."

Of some symbolic importance, the international Genocide Convention was finally ratified in February by the U.S. Senate in an 83-11 vote. This came after 37 years of disputation about the possible effect of the measure on American sovereignty. The next step under the treaty process called for passage by Congress of legislation making participation in genocide a crime under American law; however, no action was taken on this during the year.

### *Interracial and Civil Rights Issues*

No overt Jewish-black confrontations occurred in 1986, such as the eruptions of the previous few years involving Jesse Jackson and Louis Farrakhan. In fact, in considering a possible repeat candidacy for the presidency, Jackson seemed bent on healing the breach with the Jewish community that had developed in 1984. He took every opportunity, for example, to stress his active interest in the issue of Soviet Jewry.

The Reverend Louis Farrakhan, who in 1984 had called Hitler "wickedly great" and referred to Judaism as a "gutter religion," held a news conference in October at which he said he hoped to mend his fences with the Jewish community. Before and after his statement, his appearance on college campuses occasioned some minor controversies between Jewish and black students.

Neither did black-Jewish relations visibly heat up over the issue of South Africa. The Union of Orthodox Jewish Congregations of America, at its national convention in December, called for its congregations and all Jewish institutions to divest themselves of South African investments—an action which most Jewish organizations had already adopted.

The chief interracial focus of the year was probably three "affirmative action" rulings of the U.S. Supreme Court. In all three cases, tensions and passions ran high over efforts to redress discrimination in employment through the use of preferential treatment.

A 5-4 decision handed down in May held unconstitutional a Michigan school board's policy of laying off white teachers ahead of minority-group teachers with less seniority. While the case seemed to some to be definitive—seniority could not

normally be breached by preferential layoffs—in fact, eight of the nine justices indicated support in general for racial preference in legitimate circumstances. In July, in a 5–4 decision, the Court upheld a specific 29-percent “goal” established by a lower court for minority-group membership in a New York sheet-metal workers’ union. At the same time, in a 6–3 decision on a Cleveland fire-fighters’ case, the Court upheld the right of lower courts to approve consent decrees that included racial preferences.

With respect to the latter two cases, a *New York Times* headline aptly referred to the “High Court’s Ambivalence.” In the New York case, the sheet-metal workers’ union had been ordered by a lower court in 1964 to engage in some affirmative action program to remedy the fact that there were no black members. In 1975, having found no *bona fide* effort to improve the situation, the lower court ordered a compliance goal which was calculated as the percentage of nonwhites in the relevant labor pool in the New York area. In 1982, the union was found in contempt of court for “willful disobedience” of that earlier order and was fined. In the Cleveland fire-fighter case, the Supreme Court avoided ruling directly on the content of the particular consent decree which had been agreed upon by both sides, and which included a preferential hiring goal. It merely said that a lower court had authority to approve such consent decrees.

In both rulings the Supreme Court clearly rejected the premise put forth by President Reagan’s solicitor-general that all racial preferences in hiring and promoting were illegal except to benefit individuals who had been personal and direct victims of discrimination. The NAACP called these two decisions “a tremendous victory for affirmative action.” The solicitor-general commented that the Supreme Court had said about quotas, “not never, but hardly ever.” Indeed, according to prevailing interpretations, the majority decisions did indicate that the courts should impose specific quotas only as a last-ditch remedy for “egregious” and stubborn discrimination.

These decisions were watched carefully by the organized Jewish community. The major Jewish agencies had all evolved positions which in various degrees supported some “color-conscious” affirmative action to remedy the effects of past discrimination, but opposed rigid quotas. The attempt to find an acceptable accommodation had proved thorny, at times becoming a major item of contention between black and Jewish organizations. As Hyman Bookbinder, Washington representative of the American Jewish Committee, said in January at a Martin Luther King Day celebration: “Needlessly hostile debate has been raging around the issue of quotas. . . . Confusion and conflict over the proper use of arithmetic standards has unfortunately kept us from working as hard as we could for the noncontroversial components of any meaningful package of affirmative action programs.”

Pending any future Supreme Court changes in these close-vote decisions, it appeared that some level of reasonable accommodation had been reached. There was at least some satisfaction in most quarters, and no great heat was engendered. In particular, Jewish-black differences on the quota issue had not been aggravated,

some Jewish agencies even joining forces with black organizations in presenting briefs on the Cleveland and New York cases.

### *Catholic-Jewish Relations*

It was a more dramatic year for Jewish-Catholic than for Jewish-black relations. On the positive side, Pope John Paul II visited the main synagogue in Rome in April, the first papal visit to a Jewish house of worship in history. While American and world Jewish organizations universally applauded his action, they pointed out that a major barrier to full Jewish-Catholic reconciliation remained: the Vatican's failure to establish diplomatic relations with Israel.

This failure was aggravated in the United States by events surrounding John Cardinal O'Connor, the archbishop of New York. Considered "close" to the New York Jewish community and supportive of its issues, Cardinal O'Connor returned from a visit to Lebanon in June with a list of "preconditions" for Vatican recognition of Israel: Israel's assistance in finding "a Palestine homeland," in achieving peace in Lebanon, and in bringing about "the security of some eight million Christians in Arab countries." Although the Jewish community was critical of his remarks, it also recognized the prelate's desire to take a role in bringing about peace and perhaps influencing the Vatican's position on Israel. Prime Minister Shimon Peres invited O'Connor to visit his country, and a trip was agreed to, for after Christmas, that would take the cardinal to Israel, Jordan, and Egypt. Even before his departure, however, the Vatican enjoined O'Connor from holding any meetings with top Israeli officials in Jerusalem, since they could be construed as formal political recognition of Israel and of its control over Jerusalem. Jewish and Israeli leaders were predictably upset, but the visit was expected to go ahead, with suitable adjustments made.

In November Bishop James Malone, president of the U.S. Catholic Conference, urged the UN General Assembly to reverse its "deplorable" resolution equating Zionism with racism, but he did not address the question of diplomatic recognition by the Vatican.

One other Jewish-Catholic issue lurked in the wings: a perception in the Jewish community that the Catholic Church abroad had not exorcised its record during the Nazi period and still at times remained insensitive to Jewish feelings about the Holocaust. There were protests from American Jewish leaders, for example, when they learned early in the year of a plan to establish a Carmelite convent at the Auschwitz concentration-camp site. A fund-raising drive for the Auschwitz project begun the previous year in Europe had already drawn harsh criticism from European Jewish leaders, who viewed it as an affront to the memory of the Jews who were killed there. A similar reaction was evoked by the discovery in September that a Catholic church had been built at the site of a Nazi torture chamber at the Sobibor death camp in Poland.

# The United States, Israel, and the Middle East

**R**ELATIONS BETWEEN THE United States and Israel remained close and cordial in 1986, even in the face of the potentially damaging Pollard and Iran/*contra* affairs. The year began with high hopes for progress in the Middle East peace process, based on positive signals from Jordan's King Hussein, but steps forward were only followed by regression in that area. It was a year, too, in which the United States took its strongest stand yet against terrorism—against Libya, specifically—apparently with salutary results.

## *United States-Israel Relations*

The year began with American-Israeli relations at a peak. Since 1983 the Reagan administration had been raising the long-standing "special relationship" between Washington and Jerusalem to new highs. Strategic cooperation was no longer a vague concept but an operational reality. Economic relations were entering a new era, following the passage in 1985 of the Free Trade Area agreement. Aid to Israel was not only at its highest level ever but was now all in the form of grants rather than loans. And U.S. determination to help preserve Israel's economic and strategic strength had been demonstrated by the intense personal involvement of Secretary of State George Shultz in dealing with Israel's economic crisis of 1985. Above all, there was a new willingness by American officials to proclaim the value of the relationship—in effect, taking it out of the closet for all to see, including, and maybe especially, the Arab world.

The factors that had generated these developments were many. Since 1981 oil had declined as a political force, reducing the influence of Saudi Arabia on U.S. policy. Peace between Egypt and Israel, cold as it was, meant that full-scale war in the region was not imminent, thereby reducing the sense of urgency about the Arab-Israeli conflict that had shaped the outlook of the 1970s. Disunity in the Arab world and among Palestinian leadership was greater than ever, making it more difficult to construct policies dependent on Arab decisiveness and coherence. Finally, the recent surge of international terrorism had generated respect for Israel as the model of counterterrorist activity.

By the end of 1986 these fundamental forces continued to dominate the landscape; nevertheless, all was not positive. For one thing, the Jonathan Pollard affair remained an open wound. Then, in November 1986 revelations about U.S. efforts to sell arms to Iran, with Israel's assistance, burst into the headlines. As the year closed, it was certain that Irangate would have an impact on U.S. Middle East policy, but what that would be was uncertain.

## STRATEGIC DEFENSE INITIATIVE

American-Israeli strategic and political cooperation branched out into new areas in 1986. One such area was the Reagan administration's major defense project, the Strategic Defense Initiative (SDI). With the administration encouraging Western allies to participate in the plan, early in 1986 Israeli analysts began to consider the possibility of an Israeli role. Arguments for involvement included the belief that it would deepen Israel's strategic partnership with the United States; would enhance Israel's deterrence against its enemies; demonstrate to the United States that Israel was not merely a regional client; and help Israel develop its own missile-interception technology, linking itself to the frontiers of Western technology. The potential negatives of Israel joining were increased hostility from the Soviets and resentment by those in the United States who opposed SDI. For those who argued for an Israeli role, of particular interest was the U.S. statement that the program would "examine technologies with potential against short-range ballistic missiles." Increasingly, Israeli defense experts viewed the coming threat to be Syria's SS-21 surface-to-surface missiles capable of reaching population centers. SDI research offered the possibility of countering this new threat.

On May 6 U.S. defense secretary Caspar Weinberger and Israeli defense minister Yitzhak Rabin signed a memorandum of understanding on Israel's future role in SDI. Israel would be assisted in obtaining SDI contracts, and the way was open for leading defense contractors to work with Israel on SDI research. The *Wall Street Journal* noted on May 7 that the agreement could have a significant effect on the work in that Israel was likely to examine the application of SDI high-technology weapons in tactical warfare rather than in strategic nuclear warfare envisioned by the United States. The *Journal* indicated that Israel was likely to focus on ground-based weapons that could be deployed against short- or medium-range nuclear missiles.

The formal agreement on Israel's participation in SDI was signed on November 5. Israel was the third country to sign on, joining Great Britain and West Germany. The agreement provided that Israel would undertake research on tactical ballistic-missile systems, the funding for which would amount to \$5.1 million.

## VOICE OF AMERICA

A second agreement reflecting the evolving cooperative relationship was signed in August, this for a Voice of America relay station to be housed in Israel. The story had begun in December 1984, when President Ronald Reagan sent a personal letter to Prime Minister Shimon Peres asking Israel to allow construction of a relay station that would overcome Soviet efforts to jam VOA broadcasts. Peres hesitated because of concern for the impact on Soviet Jewry. In October 1985, on the occasion of a Peres visit to Washington, the president again sought to persuade the prime minister to agree to the relay station. This time Peres said yes, and his accession was

attributed to Israel's simple inability to say no to the United States. President Reagan said of Israel that she "is not reluctant and is not neutralistic."

Throughout much of 1986, negotiations took place over technical aspects of the proposal. Finally, in August, an agreement was signed in Israel in the presence of Vice-President George Bush. The station, to be built in the Negev, would take five years to complete, at a cost of \$250 million, and would be the largest such installation serving the West. It would be staffed by about 100 technicians, mostly Israelis, and it would employ advanced U.S. technology making it more difficult for the Soviets to jam broadcasts.

#### NATOIZATION

A third proposal for cooperation, which was still unresolved by the end of the year, was to have Israel treated as a NATO country for purposes of winning U.S. defense contracts. To encourage NATO allies to standardize their weapons systems, Washington did not make them pay for initial, "nonrecurring" research-and-development expenditures, thus making U.S. weapons cheaper and more enticing.

When Defense Minister Rabin visited Washington in May he raised the idea of "NATOization" status for Israel. This would enable Israeli defense industries to compete on equal terms with their European counterparts for lucrative contracts. It also would make Israel eligible to lease military hardware from the United States. In September, on another visit to Washington, Rabin discussed the matter further with Shultz and Weinberger, but at the end of the year the matter was still under consideration.

#### LAVI PROJECT

The Lavi jet fighter-plane project reflected growing U.S.-Israeli cooperation but also made clear the problems that could surface between the partners. In 1983 Congress had approved the use by Israel of funds from foreign military sales (FMS) funds to finance development of the plane. Although Secretary of Defense Weinberger opposed this decision on the ground that FMS funds were supposed to be used for purchasing weapons and equipment in the United States, the decision by Congress led to the earmarking for the Lavi of \$350 million in 1983 and \$550 million in 1985, out of the total U.S. military aid package for Israel. Israel estimated that each jet would cost \$15 million, but a confidential U.S. Defense Department study, publicized on April 29, concluded that Israel had greatly underestimated the Lavi's price, that each jet would cost \$22 million. It concluded that the plane would meet its technological potential but production costs would be far higher than the \$550 million a year budgeted by Israel's Defense Ministry, based on the production of 24 planes a year. Israel Aircraft Industries (IAI) disputed these figures, arguing that the basic labor cost of research and development in Israel was significantly less than in the States, which the report did not take into account.

On June 10 it was reported that Shultz and Weinberger had written to Peres urging him to reconsider the project and to buy instead a revamped F-16 using technology developed for the Lavi. On July 21 Israel formally unveiled a prototype of the Lavi; Peres called the plane a "superb achievement" that only "five or six countries all over the world" could hope to match. He said that the Lavi was not only the ideal warplane for Israel's needs but also could be a major export item.

U.S. reaction continued to be ambivalent. On August 11 the Defense Department announced the release of \$67 million for contracts involved in the project but said that the U.S. government still expected Israel to consider alternative programs that the Pentagon would develop.

#### U.S. AID

The U.S. aid package to Israel ran into problems stemming from the budget deficit and the Gramm-Rudman legislation providing for budget cuts. When fiscal year 1986 went into effect on October 1, 1985, Israel was budgeted to receive \$1.2 billion in economic aid and \$1.8 billion in military aid, all in the form of grants. In addition, a significant part of the money to Israel was to be dispensed at the beginning of the fiscal year, rather than quarterly.

In January 1986, in response to Gramm-Rudman, the Reagan administration announced a 4.3-percent across-the-board budget cut and asked Israel to return \$51 million of the 1986 money just received, noting that without the return of the money, aid to other countries would have to be cut by an average of 6.5 percent. On January 21 Israel agreed in principle to return that amount from the economic aid portion, though the Israeli government made clear it was under no legal obligation to do so. On February 24 Israel sent a check of \$51.6 million to the Agency for International Development. Meanwhile, the administration proposed freezing aid to Israel and Egypt at 1986 levels for fiscal year 1987. In submitting its package to Congress, the administration praised Israel's economic progress, particularly its steps toward economic reforms and austerity measures, but also said that Israel had a long way to go and needed more comprehensive changes to reduce its dependence on external aid.

On October 16 a House and Senate conference reached an agreement on foreign aid for fiscal 1987. The total was trimmed to \$13.37 billion, but that for Israel and Egypt remained the same, Israel getting \$3 billion, and Egypt \$2.3 billion. In addition to sustaining aid levels, on December 24, following a major effort by Sen. Daniel Inouye (D., Hawaii), the administration proposed a debt-relief plan for Egypt, Israel, and 36 other countries deemed strategically important and pro-America. The plan would give an opportunity to those countries to defer part of their interest payments on military loans and to refinance high-interest loans at current low-interest rates; countries would then make up the difference in interest in a single payment when loans came due. In Egypt's case, it was reported that the

plan would allow postponement of as much as \$3 billion in interest payments until the year 2009. Israel would save \$200 million in payments in 1986 and over four years would save \$1 billion.

#### ARMS SALES

A continuing source of tension between supporters of Israel and the administration was proposed arms sales to Arab countries.

In November 1985 the House of Representatives had pushed through compromise legislation blocking the administration's plan to sell \$1.9-billion worth of arms to Jordan until March 1, 1986, unless "direct and meaningful peace negotiations" between Jordan and Israel began before that date. Early in 1986 the administration talked of going ahead with the sale in March; Assistant Secretary of State for Near Eastern Affairs Richard Murphy's visit to see Hussein in Europe in January (see below) was interpreted as an effort to promote the sale. Early in February, however, Shultz informed congressional leaders that the administration had shelved the proposed plan after Senators Robert Dole (R., Kans.) and Richard Lugar (R., Ind.), among others, convinced the administration that at least 80 senators would support a resolution opposing the sale.

On March 11 the administration shifted gears and notified Congress that it planned to sell \$354 million in advanced missiles to Saudi Arabia. Congressional opposition to the sale was intense, led by Sen. Alan Cranston (D., Calif.) and Congressman Mel Levine (D., Calif.). On May 6 the Senate voted 73-22 to reject the plan; the House followed suit the next day by 356-62, votes called "veto proof" by opponents of the sale. Although spokesmen indicated that the president would veto the congressional rejection, the overwhelming vote notwithstanding, the administration attempted to reduce the opposition by announcing on May 20 that it was removing from the package the sale of Stinger anti-aircraft missiles, which caused particular concern lest they fall into terrorists' hands. The following day the president cast his veto. On June 5 the revised sale went through, as the Senate failed by one vote to achieve the two-thirds necessary to override the veto. Eight senators switched their vote in favor of the sale, citing the administration's removal of the Stingers and the desire to support the president in his role as Middle East mediator. Opponents of the sale claimed victory despite the vote, Senator Cranston noting that the final package amounted to less than 10 percent of the Saudis' original "wish list" of arms.

Aside from this new arms package, 1986 saw the delivery of the first AWACS to Saudi Arabia promised in 1981. The sale had been made five years earlier, conditional on certification by the administration that the Saudis had made "substantial" efforts to aid the Middle East peace process. While criticism of Saudi Arabia was voiced, Congress decided not to attempt to block the delivery. On June 14 it was announced that Saudi Arabia agreed to prevent AWACS technology and

intelligence from falling into hostile hands and from being used to threaten Israel. On June 18 the president took the final step, certifying Saudi Arabian contributions to the peace process. Delivery took place on June 30.

#### THE POLLARD AFFAIR

The Pollard spy case, which broke on November 21, 1985, was the principal threat to U.S.-Israeli relations in 1986. In December 1985, following the arrest of Jonathan Pollard for transmitting classified intelligence documents to Israelis in the States, Israel maintained that the incident was unauthorized and offered "full cooperation" in the investigation. A joint team from the State and Justice departments, led by State's legal adviser, Abraham Sofaer, visited Israel, received pertinent documents, and interviewed Israeli officials. On December 20 the State Department indicated that it had been given "full cooperation" by the Israelis.

During the early months of 1986 U.S. authorities and Pollard's attorney entered discussions in an attempt to strike a plea bargain and avoid a trial, in the hope, apparently, of minimizing the damage to U.S.-Israeli relations. Complications developed, however, as federal investigators continued looking into the affair. On May 30 unnamed State Department officials indicated that according to new information in their possession other unidentified individuals in the United States and Israel, including an Israeli Air Force official, may have been tied to the espionage operation. Israel did not respond to these new charges but strongly denied reports of a widespread and well-financed Israeli intelligence operation in the United States.

On June 4 Pollard pleaded guilty in district court in Washington to participating in an espionage conspiracy directed by Israeli officials, as agreed upon by his lawyers and federal prosecutors. Federal officials said that Pollard was cooperating in the continuing investigation, and prosecutors indicated they had agreed not to ask for a life sentence but would ask Judge Aubrey E. Robinson to impose a "substantial" prison sentence.

Comments in the days following Pollard's guilty plea spotlighted the conflict between the State Department, seeking to limit the damage caused by the affair, and the Justice Department, complaining about the withholding of information. On the day of the hearing, a Justice official pointed to discrepancies between information obtained from Pollard in recent months, made public in court that day, and what Israeli officials had told the U.S. investigating team the past December. Noted, for example, was the failure to disclose the role of Israeli Air Force colonel Aviem Sella or the fact that a bank account had been set up for Pollard in Switzerland. Citing these new revelations, FBI director William Webster said in an interview on June 6 that despite promises of full cooperation, Israel had given only "selective cooperation." He characterized this as "disappointing," but said, "considering the nature of intelligence gathering, it's really not surprising."

Prime Minister Peres, with the approval of the entire cabinet, responded to these charges on June 8. He denounced attempts by some to "foul the atmosphere"

between Israel and the United States. He again said that Israel had "provided full cooperation" and pledged "a continuation of the cooperation." And he strongly denied as "unfounded" suggestions by U.S. officials that the operation was much more extensive than Washington had been told by Israel.

The Israeli reaction set off a sparring match between the State and Justice departments. On June 9, State, which reportedly had cautioned Israel strongly against covering up information, issued a statement supporting Israel. It said that the United States had "no evidence of any espionage ring involving Israeli officials" other than those already named and that the indictment and successful prosecution were "made possible through the cooperation of the Government of Israel." The Justice Department responded that the existence of an Israeli spy ring could not be ruled out, and was reported to be considering revoking the immunity from prosecution that had been granted the Israelis interviewed the previous December, on the ground that they may have misled U.S. representatives.

The White House entered the fray unequivocally on the side of the State Department on June 10. Spokesman Larry Speakes said: "We stand by exactly what the State Department said yesterday and have nothing new to add to it." The support of the White House for State's efforts to minimize the damage to relations quieted things down. During the last months of the year, the affair moved away from center stage. On November 19, Judge Robinson, at the request of both sides, postponed the sentencing for two months.

### *Irangate*

In November 1986 a story erupted that threatened to disrupt a host of U.S. relationships and policies in the Middle East—including the progress made in the preceding months against international terrorism, the friendly state of U.S.-Israeli relations, and U.S. credibility in the Arab world. The story was one that quickly came to be known as *Irangate* or the *Iran-contra* affair.

#### FIRST REPORTS

It began with a report on November 3 in the pro-Syrian Lebanese magazine *Al-Shiraa*, quoting senior Iranian sources who claimed that former U.S. national security adviser Robert McFarlane had made a secret trip to Teheran in October and had offered to send arms to Iran in exchange for hostages being held in Lebanon. Only the day before, David P. Jacobsen, an American held hostage in Lebanon for more than 17 months by Shi'ite Muslim extremists, had been freed in Beirut. Jacobsen was the third American hostage to be released from Lebanon in the previous year and a half; Lawrence Jenco had been freed in July 1985 and Rev. Benjamin Weir in September 1985. With the release of Jacobsen, five Americans were still being held in Lebanon. The organization called Islamic Jihad, a Shi'ite group linked to Iran that had held Jacobsen, released a statement saying that it had

freed him because of "certain approaches [taken by the U.S.] that could lead, if continued, to a solution of the hostages issue."

On November 4 the Speaker of the Iranian parliament, Hojatolislam Hashemi Rafsanjani, confirmed the *Al-Shiraa* report. Speaking on the anniversary of the takeover of the U.S. embassy in Teheran in 1979, he said that McFarlane and four other men had come to Iran in the fall, posing as a flight crew and carrying Irish passports. They had been expelled after offering U.S. arms supplies in exchange for Iranian cooperation in curbing terrorism. A story also circulated that McFarlane had brought with him as gifts a Bible signed by President Reagan, several Colt pistols, and a key-shaped cake.

McFarlane, on November 6, denied the report and said that it would soon be clear that the Americans had kept to their policy of not selling arms to Teheran as long as it was supporting terrorism. And the president said the same day that "the speculation, the commenting on a story that came out of the Middle East and that, to us, has no foundation—all of that is making it more difficult to get the other hostages out."

The *New York Times*, however, carried a story, also on November 6, which said that American intelligence sources had revealed that the United States *had* sent military spare parts to Iran as part of a secret operation to gain the release of the hostages and to influence policy-making in Teheran. The sources also indicated that the United States had encouraged third parties, particularly Israel, to provide similar shipments.

#### DETAILS REVEALED

Some details of the story and the decision-making process also began to emerge. According to intelligence sources, McFarlane had worked on the operation with his successor at the National Security Council (NSC), Vice Adm. John M. Poindexter, and with Lt. Col. Oliver North, a member of the NSC who had played a key role in coordinating aid to the *contra* rebels fighting the Nicaraguan government. Secretary of State Shultz and Secretary of Defense Weinberger were said to have strongly objected to the top-secret plan, run by the NSC, when they found out about it. Their objections centered on three points: the operation would undercut the fight against terrorism and would offer incentives for the kidnapping of more Americans; it would frighten the Arabs of the Persian Gulf, who were already fearful of an Iranian victory; and it would antagonize U.S. allies who had been under pressure from Washington to join the Iranian arms embargo.

The administration reacted to these reports by imploring the press to try, for the sake of the remaining American hostages in Lebanon, to put a lid on the story. On November 7, with released hostage David Jacobsen at his side, the president refused to answer questions about the dealings with Iran, saying he could not do so "without endangering the people we're trying to rescue." Jacobsen urged reporters to "just

be responsible and back off," saying that all the speculation could endanger the lives of the five Americans still in Lebanon.

#### REAGAN'S RESPONSE

When the very opposite occurred and stories proliferated, the president was forced to address the issue. On November 12 he met with Senate majority leader Robert Dole, Senate minority leader Robert Byrd (D., W.Va.), House majority leader Jim Wright (D., Tex.), and Congressman Richard Cheney (R., Colo.). For the first time, Reagan admitted that he had authorized the arms shipments. The following day, in a nationally broadcast speech, the president sought to tell his side of the story: "I know you've been reading, seeing and hearing a lot of stories the past several days attributed to Danish sailors, unnamed observers at Italian ports and Spanish harbors, especially unnamed officials of my administration. Well, now you're going to hear the facts from a White House source and you know my name." The president said that the United States had been conducting a "secret diplomatic initiative to Iran" for 18 months with four goals in mind: to renew our relationship with Iran; to bring an end to the Iran-Iraq war; to eliminate state-sponsored terrorism; and to effect the safe return of the hostages. He labeled "utterly false" the charge that Washington had shipped weapons to Iran as ransom payment for the release of hostages in Lebanon. Rather, he had authorized the transfer of "small amounts of defensive weapons and spare parts for defensive systems" to Iran for the purpose of sending a signal that the United States "was prepared to replace the animosity between us with a new relationship."

It had been made clear to Teheran, the president added, that if it sought an improved relationship, the "most significant step" it could take would be to use its influence in Lebanon to secure the release of American hostages. But, he reiterated, "we did not—repeat—did not trade weapons or anything else for hostages."

The speech did little to still the expanding imbroglio. The Arab League on November 14 called the arms shipment to Iran a "flagrant violation" of professed U.S. neutrality in the war. A comment the same day by a spokesman for French premier Jacques Chirac pointed to the impact of the affair on the attempt to build an antiterrorist front: "Those who give morality lessons would do well to sweep in front of their own doors before criticizing others. The French government has neither sold nor exchanged arms to obtain the liberation of its hostages." Representatives at a NATO meeting in Istanbul on November 18 expressed shock and anger at the U.S. action and passed a resolution calling on member governments not to negotiate with "terrorists, their backers or protectors."

On November 19 the president held a press conference, his first since August 12, in which he defended his administration's dealings with Iran but said that "to eliminate the widespread but mistaken perception that we have been exchanging arms for hostages, I have directed that no further sales of arms of any kind be sent

to Iran." He defended the action's legality, asserting that arms had been sent to Iran after he signed a secret January 17 intelligence finding to authorize specific exceptions to the Iranian arms embargo.

Much of the reaction to the press conference focused on the president's contradictory remarks, among them Reagan's denial of an arms-for-hostage swap followed by his citing the release of three U.S. captives over the past year as evidence that the Iranian initiative had had some success. Also, the president indicated that the United States had not condoned "the shipment of arms by other countries" to Iran. Soon after the press conference, the president issued a statement of correction: "There was a third country involved in our secret project with Iran." Meanwhile, a nationwide poll conducted November 15–18 (after the president's speech but before the press conference) found that only 20 percent of Americans believed the president's statements on the affair had been "essentially true," while 82 percent disagreed with the decision to sell arms to Teheran.

The period of November 20–24 was marked by public bickering among top administration officials. Ex-adviser McFarlane referred to the arms deal as a "mistake," leading White House chief of staff Donald Regan to say: "Let's not forget whose idea this was. It was Bud's [McFarlane's] idea. When you give lousy advice, you get lousy results." And on November 24, following reports that administration officials were critical of Shultz for distancing himself from the affair, Undersecretary of State John Whitehead distanced State even further. In testimony to the House Foreign Affairs Committee, he said it was time "for the White House to come forward with a positive plan to undo the damage quickly," and indicated that State still did not have a detailed record of what had happened.

#### THE CONTRA AND ISRAELI CONNECTIONS

Whatever hope the administration had to contain the affair disappeared on November 25 when it became known that between \$10 and \$30 million in profits from the sale of American arms to Iran had been secretly diverted to help the *contra* rebels fighting the Nicaraguan government. The president himself revealed the findings in a brief announcement, in which he indicated that as a result of the new information he had accepted the resignations of Poindexter and North.

On the same day, Attorney General Edwin Meese filled in the details discovered in the Justice Department's review of the arms-supply policy. The United States, he said, sent arms to Israel, which had agreed to act as middleman in the secret U.S.-Iranian contacts. "Representatives of Israel"—Meese said it was yet to be determined whether these representatives "were specifically authorized by the government or not"—sold the arms to Iran for \$10 to \$30 million more than cost. He claimed that these extra funds were transferred either by the Israelis or the Iranians, acting with Colonel North's knowledge, to Swiss bank accounts controlled by the *contras*. North was cited by Meese as the only person in the U.S. government who knew precisely about this operation.

## ISRAELI REACTION

From the start of the affair, stories appeared about Israeli involvement. An unnamed senior Israeli official was quoted on November 22 in the *New York Times*: "From the very beginning of this operation we have acted on behalf of the United States. Everything we did, including shipping arms to Iran, we did with the explicit approval of Washington. We offered them our good offices and assets, and they used them." But it wasn't until the revelations about diversion of funds raised fears that Washington might scapegoat Israel that Israeli leaders decided to speak. On November 26, after a meeting between now Prime Minister (as a result of the rotation with Peres in October) Yitzhak Shamir, now Foreign Minister Peres, and Defense Minister Rabin, a statement was issued: "The Government of Israel confirms that it helped transfer defensive arms and spare parts from the United States to Iran upon the request of the United States." On the subject of money transfers, however, the government was unequivocal: "These funds did not pass through Israel. The Government of Israel was surprised to learn that supposedly a portion of these funds was transferred to the *contras*. If such a transaction took place, it had nothing to do with Israel and the Government of Israel had no knowledge of it. Israel did not serve and would not have served as a channel for such a transaction."

The denial notwithstanding, an interview with President Reagan in *Time* magazine, published on November 30, seemed to implicate Israel further. After blaming the press for divulging the operation and thus endangering it, he discussed Israel's role in the transfer of funds, going beyond Meese, who had cited involvement of "Israeli representatives," not necessarily officials. The president was clearly referring to Israel, though not by name, in his description of events: "Another country was facilitating the sale of these weapons systems. They then were overcharging and were apparently putting the money into the bank accounts of the leaders of the *Contras*. It wasn't us funneling money to them. This was another country."

Israeli officials were reported to be baffled and disturbed by the president's comments, and on December 2, Israel again firmly denied the charge. Clearly, the introduction of the *contra* issue had changed the dimensions of the problem for the administration and, if Israel were to be implicated in this aspect, for Israel as well. As long as the issue revolved around arms to Iran, it touched on foreign-policy matters that were not clearly defined or divisive. The *contra* issue, however, was one that had divided the country and Congress, raising critical legal issues and highlighting the struggle between the executive and legislative branches of government.

## INVESTIGATIONS BEGIN

In response to the rising tide of criticism, the president took two steps. First, on November 25, he announced the formation of a special review board to probe the activities of the NSC; the next day he appointed John Tower, former Republican senator from Texas, former secretary of state Edmund Muskie, and former national

security deputy Brent Scowcroft to the board. Then, on December 2 he asked for the appointment of an independent counsel to investigate charges of illegality.

Meanwhile, reports in the *New York Times* revealed Saudi Arabian involvement in the arms sales to Iran. Saudi businessman Adnan Khashoggi was reported to have introduced two Israelis—Al Schwimmer and Yaacov Nimrodi—to Manucher Ghorbanifar, an Iranian arms dealer. The four men reportedly were the keys to the arms-for-hostages deal. Khashoggi was also reported to have played a central role in financing the purchase of arms by Iran. More significantly, it was said to have been done with the tacit approval of the Saudi government, reflecting Saudi fears of an Iranian victory in the war and the need to reach some accommodation.

On December 4 the investigation broadened as House and Senate leaders agreed that each body would form its own panel to investigate the Iran-*contra* arms deal. In his weekly radio address on December 6, the president admitted mistakes in the “execution” of the policy, but not that the policy itself was a mistake. Signs that the president was suffering politically appeared in a *New York Times*/CBS News poll of December 10, which found that 47 percent of the people thought the president had lied when he said he knew nothing of the diversion of funds to the *contras*; 37 percent said they thought he was telling the truth.

By the end of the year, an independent counsel and the heads of the congressional committees had been named. On December 19 a special panel of three federal judges selected Lawrence Walsh as independent counsel, with a broad mandate to investigate not only the arms sales to Iran and the diversion of funds to the *contras*, but all aid given to the *contras* by anyone in or out of government since 1984. On December 16 Senate leaders named Daniel Inouye, and a day later House leaders chose Lee Hamilton (D., Ind.) to head their respective panels.

## *Terrorism*

The year began with mixed perceptions concerning the West's efforts to combat international terrorism. On the one hand, the United States had demonstrated its resolve to be firm by such actions as intercepting the jetliner carrying the *Achille Lauro* terrorists out of Egypt in October 1985. On the other, the proliferation of terrorist episodes gave the impression that the terrorists were winning the day, and cooperation by U.S. allies was as meager as ever.

### FOCUS ON LIBYA

The simultaneous attacks on December 27, 1985, at the Rome and Vienna airports that had left 19 dead, including 5 Americans, were attributed to Abu Nidal, a renegade Palestinian terrorist leader believed to be backed by Libya. On January 7 Washington announced the imposition of economic sanctions against Libya and ordered the 1,000 to 1,500 Americans remaining in Libya to leave immediately. The next day President Reagan followed up with an order freezing all Libyan assets in the United States. So began a four-month campaign to take action against one of

the key states held responsible for the spread of terrorism. This effort took political, economic, diplomatic, and, ultimately, military form.

Reagan's appeal for America's allies to join in isolating the regime of Col. Muammar Qaddafi fell on deaf ears, leading analysts to predict that the impact of a solo U.S. boycott would be negligible. The U.S. decision to impose economic sanctions took place only after serious consideration had been given to a military option and then ruled out. As he had in the past, Secretary of State Shultz favored a military response, while Secretary of Defense Weinberger had urged caution. Concern about the loss of civilian life and the prospect that Americans working in Libya might be subject to reprisals reportedly led the president to rule out a military strike for the time being. The decision to order Americans to leave was widely interpreted to mean that the United States was seeking to untie its hands in case it eventually decided to launch a military strike.

In a press conference to the nation announcing the measures, the president prepared the ground for U.S. action. He said there was "irrefutable evidence" of Qaddafi's support for Abu Nidal: "Libya has engaged in armed aggression against the United States under established principles of international law just as if he [*sic*] had used its own armed forces." And the president warned that "if these steps do not end Qaddafi's terrorism, I promise you that further steps will be taken."

#### EUROPEAN RESPONSE

Western Europeans were cool to the U.S. appeal for solidarity, arguing that economic sanctions would not work, and that the costs to Europe, which carried on much greater trade with Libya than did the United States, would be too high. Only Italy took any concrete action, on January 9 announcing that it was banning weapons sales to Libya and pledging that Italian workers would not take over jobs vacated by Americans. Disappointed by the European response, Shultz indicated on January 9 that the administration would move from public appeals to moral suasion. Between January 15 and 23, Deputy Secretary of State John Whitehead visited various European capitals. Little was accomplished, however, except a pledge by most of the countries not to take commercial advantage of U.S. sanctions against Libya. Even as diplomatic efforts continued, a war of nerves was taking place in the Mediterranean. The Soviet Union stationed the flagship of its Mediterranean fleet in Tripoli and deployed three warships off the Israeli coast to warn Libya against any possible Israeli air strike. On January 15 Secretary Shultz reasserted the American right to carry out military attacks against terrorists or state sponsors. He said the United States "cannot wait for absolute certainty and clarity" before striking at terrorist targets. On January 23 the administration ordered aerial operations from two aircraft carriers, the USS *Coral Sea* and USS *Saratoga*, near Libya. Naval maneuvers were also held off Libya January 23-30 and February 11-14, U.S. forces approaching but not penetrating the disputed Gulf of Sidra, which Qaddafi claimed as Libyan territorial waters.

While the administration was conducting a war of nerves with Libya, on February

4 Israel intercepted a Libyan civilian jet flying from Tripoli to Damascus, which Israeli intelligence suspected was carrying Palestinian terrorist leaders who had attended a two-day conference of radical Arabs and Palestinians. It turned out, however, that the passengers were seven Syrian politicians and two Lebanese militia officials. The Arab League widely condemned Israel's action, and Syria sponsored a resolution in the UN Security Council condemning Israel. On February 6 the U.S. vetoed it, saying that while it deplored the Israeli action, the resolution did not recognize the right of states to intercept aircraft under "exceptional circumstances."

#### MILITARY ACTIONS

Meanwhile, U.S. activities against Libya expanded. By March a third carrier, the USS *America*, had joined the fleet. The carriers together had approximately 240 planes and were escorted by 27 other warships, an unusually large force. On March 23 the Navy Task Force crossed into the Gulf of Sidra. Over the next two days Libya fired anti-aircraft missiles at American warplanes; U.S. forces responded by attacking a number of Libyan ships and a missile installation on the Libyan coast. On March 27 the U.S. fleet left the gulf. While the stated purpose of the operation had been to challenge Qaddafi's claims concerning the gulf, the administration let it be known that its true aim was to punish Qaddafi for his sponsorship of terrorism.

The administration received strong bipartisan support in Congress for the action, and from Israel and Great Britain abroad. Of the allies, Italy was most critical, Prime Minister Bettino Craxi saying, "Italy does not want war on its doorstep."

During the crisis, there were many suggestions that Qaddafi might retaliate by ordering terrorist assaults either in the United States or against American facilities abroad. These fears appeared to have been realized when a bomb exploded on April 5 in a West Berlin discotheque frequented by Americans. Two people died, including an American serviceman, and 200 were injured, including more than 60 Americans. On April 9 the supreme commander of NATO, Gen. Bernard W. Rogers, said there was "indisputable evidence" of a Qaddafi role.

In response, the United States pressed its allies to expel Libyan diplomats and called on West Germany to close the Libyan mission in Bonn. To support its case, the administration was reported to have provided intercepted messages from Libya to Europe, including a congratulatory message from Tripoli to its mission in East Berlin following the bombing. France and West Germany expelled several Libyan diplomats, but refused to link the action to the West Berlin bombing.

On April 9 President Reagan, in a press conference, described Qaddafi as "this mad dog of the Middle East," but refused to commit the government to military retaliation. On the same day, Qaddafi, in his first press conference since the Gulf of Sidra clashes, warned that if Libya was attacked, he would order Arab and other radical groups to strike at "American targets all over the world."

On April 14 the United States struck. Air force F-111s based in Britain and carrier-based navy bombers bombed targets in Tripoli and Benghazi, Libya. One

F-111 was lost in the attack, which struck five military targets. Numbers of civilians were killed, including Qaddafi's adopted infant daughter.

In a nationally broadcast address announcing the strikes, President Reagan said he had ordered the attack in retaliation for the discotheque bombing and to deter future Libyan terrorism. He alluded to the frustration of seeking international cooperation: "I said that we would act with others if possible and alone if necessary to insure that terrorists have no sanctuary anywhere."

Domestic reaction was overwhelmingly positive. A *New York Times*/CBS News poll released on April 17 found that 77 percent of the public approved and 14 percent disapproved of the attack. The public viewed the administration as having finally backed up its tough rhetoric.

Abroad, the story was different. Not unexpectedly, the Soviets, the Arabs, and other Third World countries vehemently denounced the U.S. action. Only Great Britain and Israel offered strong support. British prime minister Thatcher, who had allowed U.S. bombers to take off from bases jointly controlled by Britain, was outspoken: "It was inconceivable to me that we should refuse U.S. aircraft and U.S. pilots to be able to defend their own people. . . . If one always refused to take any risks because of the consequences, then the terrorist governments will win and one can only cringe before them."

While Britain had allowed the use of planes from its bases, the French had refused to allow U.S. planes to fly over French territory during the mission. Secretary Weinberger noted publicly that the 18 F-111s flew a route of 2,800 nautical miles to avoid flying through the air space of any nation. Had the French granted permission, he said, the distance would have been cut by more than half and would have reduced the risks.

#### EUROPEAN CHANGE OF HEART

Elsewhere in Europe, although the United States was criticized, the weeks following the attack witnessed a marked change in European attitude. Most significantly, French president François Mitterrand indicated that his country was ready to undertake joint measures, even possibly military action, against terrorists, and was dropping its opposition to discussing terrorism at the upcoming Tokyo economic summit. This changed attitude seemed to confirm reports that Mitterrand and Premier Jacques Chirac were shocked by the strong anti-French feelings that had surfaced. Elsewhere, Libyan diplomats and students were expelled from Britain, West Germany, and Denmark.

The Tokyo economic summit, held May 4-6, saw further action. The leaders of the industrial democracies issued a joint statement condemning terrorism, singling out Libya by name as a target for action, and setting forth six measures that the nations agreed could be taken against nations supporting terrorism. Included were a ban on arms exports, improved extradition procedures, stricter immigration and visa requirements, and the "closest possible" cooperation between policy and

security services. President Reagan expressed pleasure with the declaration and said that the leaders had moved "beyond words and rhetoric" in their struggle against terrorism.

Meanwhile, stories circulated of Qaddafi being ill or in a state of shock following the raids. When he gave a speech on June 11, after many weeks outside public view, observers noted that his face was puffy and he spoke haltingly, slurring his words. Eight days later he told a Western interviewer that he was not ill, that he was "very tired" when he gave his June 11 speech because it was the end of Ramadan, the month of fasting, and that his grip on power and the support of the people remained strong.

For several months a quiet settled on U.S.-Libyan relations. Qaddafi remained out of sight, and terrorism associated with Libya seemed to have declined or disappeared. Then, in late August, reports appeared in the press that the two countries were "on a collision course again." The *Wall Street Journal* on August 25 quoted U.S. intelligence officials saying that Qaddafi had renewed his sponsorship of terrorism and that Washington was planning new, more punishing air strikes against key economic targets. The source also spoke of covert activities by the CIA to destabilize Qaddafi's regime and renewed U.S. efforts to get its allies to tighten political and economic sanctions. NATO commander Bernard Rogers talked of using B-52s against Qaddafi the next time around. Special envoy Vernon Walters, U.S. ambassador to the UN, visited Europe September 1-5, stopping in eight Western European nations. Reportedly, he did not hint at any new U.S. military action but instead called for tighter punitive sanctions against Libya, including a cutoff of air traffic and an embargo on Libyan oil.

One month later, the *Washington Post* reported that the brouhaha of late August had been a disinformation campaign by the administration, with the "basic goal of making Qaddafi *think* that there is a high degree of internal opposition to him within Libya, that his key trusted aides are disloyal, that the U.S. is about to move against him militarily." President Reagan said that he had approved a plan in August to make Qaddafi "go to bed every night wondering what we might do" to deter him from supporting terrorism. But he denied the *Post* story of a disinformation campaign. And Secretary Shultz told reporters in New York, "Frankly, I don't have any problems with a little psychological warfare against Qaddafi," but he knew of "no decision to have people go out and tell lies to the media." Assistant Secretary of State for Public Affairs Bernard Kalb resigned on October 8 as the State Department's chief spokesman, in protest of "the reported disinformation program."

#### POSITIVE OUTCOMES

This controversy aside, by the fall all signs indicated that despite the initial negative reaction in the West to the U.S. attack on Libya, the raid had generated a number of positive developments. The administration's credibility seemed at a high point, its actions now seen as matching its rhetoric. The allies, after an initial

negative reaction, were further along the road of cooperation than ever before. And Qaddafi appeared weaker and less willing to support terrorism, despite predictions that the attack would strengthen his control and lead to an increase in terrorism.

Meanwhile, on October 24 a British jury convicted Nezar Hindawi of having plotted to place a bomb on an El Al jet on April 17. Hours later, citing "conclusive evidence" that the Syrian government had trained him, supplied the bomb, and directed the plot, the British government severed diplomatic relations with Syria. In a show of solidarity, the United States and Canada immediately recalled their ambassadors to Damascus, a move one step short of breaking relations.

### *The Middle East Peace Process*

Although the year was not, overall, productive in moving the peace process forward, the factors that had created a sense of movement and dynamism the year before continued to operate. In particular, King Hussein of Jordan spoke and acted like a leader who believed that time was no longer on his side, that a resolution of the conflict was imperative.

#### HUSSEIN'S ROLE

The evolution in the thinking of Jordan's King Hussein, first evidenced in 1982-1983, offered the main hope that the stalemate of 1986 was only temporary.

Hussein's sense of urgency stemmed from his perception that events in the West Bank were moving in a direction that could, in time, endanger his throne. The fact that more Israelis were settling there raised the fear that growing numbers of Palestinians would leave in the face of increasing Israeli control and move across the Jordan, thereby dramatically increasing the Palestinian majority and threatening the Hashemite dynasty. The imperative for Hussein had become the need to stanch the flow of Palestinians from the West Bank. A peace agreement with Israel seemed the best, though not the only, way to achieve this end.

Hussein's new motivation, however, was tempered by some long-standing realities. The Rabat Conference of 1974 had named the PLO as the representative of the Palestinians. While Hussein had never been particularly pleased by this decision, he remained loyal to the will of the Arab League. Any move by Hussein seemed to demand a legitimacy which could come either from the PLO itself or from Syria, the leader of the rejectionist front. Thus, on February 11, 1985, Hussein had signed an accord with Arafat which seemed to offer the possibility of progress. Early on, however, the accord encountered problems concerning definitions, representation, and other matters.

Hussein's frustration with Arafat had led him, late in December of 1985, to seek a modus vivendi with Arafat's main adversary in the Arab world, Hafez al-Assad, president of Syria. The meeting was the first in six years between the two leaders, who had fallen out in 1979, when Syria accused Jordan of harboring dissidents to

topple Assad. Relations remained difficult because the two supported opposing sides in the Iran-Iraq war: Syria being Iran's main ally in the Arab world, Jordan the Arab country most active in assisting Iraq.

Hussein's attempt to get Assad to support his strategy to bring about negotiations failed. Syria was more interested in other matters, particularly its continual war on its nerves with Israel. Indeed, ever since his defeat by Israel in 1982, Assad had been focusing on building his strength and blocking American and Israeli moves. He had resisted Israel in Lebanon, sabotaged the Reagan peace plan of 1982, sabotaged Secretary of State Shultz's peace agreement of 1983 between Israel and Lebanon, and was now engaged in sabotaging Hussein's peace offensive. While Assad agreed to meet Hussein because his Saudi benefactors wanted it, because he never felt comfortable about being odd man out in his support of non-Arab Iran in the Gulf war, and because he had an interest in helping to move Hussein away from Yasir Arafat, Assad's hated rival, none of this was enough to move him to support Hussein's diplomacy. A Jordanian official said, "The differences we had were quite fundamental and cannot be resolved in one visit."

#### MURPHY TRIP TO EUROPE

Meanwhile, the U.S. State Department sought to keep alive the momentum toward peace that had built up in 1985. Assistant Secretary Murphy, who had made six trips to the Middle East in 1985, in mid-January left for Europe for further meetings with Middle East leaders. A particular sense of urgency surrounded the trip because Shimon Peres, viewed by many in Washington as a key to a breakthrough, was scheduled to turn over the reins of power to Yitzhak Shamir in October 1986 under Israel's rotation agreement. Speculation existed that the State Department saw the need for immediate movement if progress were to be made at all.

The Arafat-Hussein agreement of February 1985 had pointed to an international conference with participation of the Soviet Union. Although the administration had long been unenthusiastic about the idea, Prime Minister Peres's statement in October 1985 at the UN that he would be willing to attend an international conference if the Soviets restored relations with Israel and allowed Jewish emigration generated new interest in Washington in the idea. As Murphy embarked on his trip, Secretary Shultz indicated that the United States saw an international meeting as having only a limited role, one that was specifically not intended to intervene in direct Arab-Israeli talks or to block the results of those talks. Murphy, he said, was going to explore attitudes in the region toward the specific powers of such a conference and the question of Palestinian representation. The latter issue had plagued the process throughout the past year, with Jordan saying that members of the PLO must be included. Now, hints of change in that position had surfaced, and Murphy was looking to see if Hussein was ready to consider Palestinians acceptable to Israel.

Reports indicated a second purpose to Murphy's trip: the hope that it would bring enough signs of movement to soften opposition to the administration's proposed

1.9-billion arms sale to Jordan. Congress had voted in November 1985 to bar the sale before March 1 unless Jordan began "direct and meaningful negotiations with Israel," but the president had promised to bring the sale up even at the prospect of defeat.

With Shimon Peres arriving in the Netherlands on January 19, at the beginning of a 12-day trip to Western Europe, and King Hussein in London, Murphy shuttled between the two for several days. At a press conference on the flight from Israel to Europe, Peres had reiterated his understanding of an international conference: the Soviet Union could attend but its role must be minimal, because the purpose of the conference was to move immediately to direct talks; and, there was to be no PLO participation. Meanwhile, reports circulated that Hussein was not hopeful that the PLO would renounce terror and recognize Israel as the price of admission.

During the course of this three-way diplomacy in Europe, Peres on several occasions reflected on the state of the peace process, offering a mix of optimism and a sense of urgency. At The Hague, on January 20, the Israeli leader said that "more than 50 percent" of the destination had been traversed toward convening an international forum and finding Palestinian representation for direct Arab-Israeli talks. At the Royal Institute of International Affairs in London, on January 23, Peres said: "1986 is a crucial year. It may be the best year for peace. If wasted, the opportunity may never return." On the same day, on NBC's "Today" show, Peres indicated that Hussein was making a final effort to see if Arafat would renounce terrorism, accept UN Security Council Resolutions 242 and 338, and agree to direct negotiations with Israel. The following day, at a London news conference, he talked of important progress having been made over the past month. But, he added, "I don't want to create the impression that we have overcome the difficulties. We are very far from it." He also indicated that he had received assurances from Murphy that Hussein would move toward talks with Israel even if the PLO and Syria withheld approval. Other reports suggested that Murphy was pessimistic about the possibility of Hussein jettisoning the PLO because Arab states would not support such a step.

If there were positive results of the Murphy shuttle, they were not readily evident. He was reported to have discussed with Hussein new names as potential representatives of the Palestinians. During the previous year, Hussein had submitted a list of Palestinian candidates to Washington, but only two—Hana Siniora and Fayez Abu Rahme—were acceptable to Israel. The others were deemed to be too close to the PLO. Hussein then had said he needed at least four Palestinians, but he submitted no new names. Hence, a stalemate had developed on this critical point, which Murphy's trip to London was seeking to break. Discussions did not, however, amount to a breakthrough.

#### INDIRECT NEGOTIATIONS

Upon Hussein's return to Amman on January 25, direct talks began between the king and Arafat, and indirect talks between the PLO leader and special U.S. envoy Wat Cluverius, carried out through the Jordanian government and non-PLO

Palestinians. The talks, which also involved Cluverius shuttling between Amman and Jerusalem, were an attempt to break the impasse that had developed because the PLO still had not accepted UN Resolutions 242 and 338. After two weeks, on February 8, the talks broke up in failure. The PLO had demanded that the United States accept the principle of "self-determination for the Palestinian people," a code-phrase for a Palestinian state, in return for acceptance of 242 and 338. Washington refused, and the PLO in turn refused to sanction Jordanian peace talks with Israel.

According to a Western diplomatic source, cited in the *Washington Post* on February 10, the Soviets played a negative role throughout this period of indirect talks. The Soviet ambassador to Jordan was said to have met with Arafat on at least three occasions, seeking to persuade him not to accept 242. The Soviets feared that a divided PLO under Arafat would be drawn into a U.S.-sponsored plan which would leave them with a minimal role; in exchange for rejection of 242, the Soviets promised the PLO to throw their weight behind the reunification of the organization. Six days later, senior Reagan administration officials were cited as supporting this reading of Soviet obstructionism.

Reaction to the breakup of the latest talks was mixed. On February 10 the State Department sought to present the situation in a positive light, describing the peace process as still alive and as incremental. At the same time it was reported that Hussein had told Peres, through Cluverius, that because of PLO rejectionism, there would now be a "long hiatus." Peres said on February 18, "We have returned to square one," blaming the failure on Arafat, who, he said, had demonstrated that he was not serious about peace.

#### HUSSEIN'S TELEVISION ADDRESS

The breakdown became complete on February 19, when Hussein delivered an extraordinary 3 1/2-hour television speech on his talks with Arafat. In harsh terms, Hussein declared that he was ending his effort and accused the PLO leader of breaking his word. He said that Arafat had told Jordanian ministers in August 1985 that he accepted 242 and 338, but Hussein later discovered that Arafat and the PLO Executive Committee had already decided not to accept 242. Hussein also claimed that before he began the final round of talks with the PLO on January 25, he had extracted a key concession from Washington—American agreement to *invite* the PLO to an international conference, once the PLO accepted three points (242 and 338; no terrorism; direct talks with Israel). The prior U.S. position had been only to *talk* to the PLO if it accepted the three points.

Hussein's announcement blaming the PLO reminded some of a similar statement he had made in April 1983, when he attributed his inability to pursue the Reagan Middle East plan to PLO rejectionism. Observers noted one difference, however. In 1983 Hussein said it was up to the PLO to decide how to proceed. In 1986 he hinted that the Palestinian people might do well to consider whether their best interests

were being served by the PLO leadership. While paying lip service to the principle of the PLO as representative of the Palestinians, he left open other alternatives. Stressing Jordanian connections to the Palestinians, he indicated that the Jordanian parliament would vote new election laws to give West Bankers more representation and that Palestinians in refugee camps within Jordan would now be enfranchised. He said, "We are unable to coordinate politically with the PLO leadership until such time as their word becomes their bond," and that he was turning over the problem to the Palestinians in the territories and the diaspora, as well as the Arab states, to determine how to proceed.

#### REACTION TO HUSSEIN'S ADDRESS

Palestinian leadership in the West Bank called Hussein's decision to end PLO participation "a major disappointment." Mustafa Natshe, who had been deposed as mayor of Hebron in July 1983, following the murder of a Jewish settler, echoed the PLO line: there can be no alternative to the PLO and no substitute for self-determination.

Israeli leaders reacted to the Hussein speech with delight. On February 19 Defense Minister Yitzhak Rabin said he saw a historic opportunity without the PLO, though Hussein had offered no concrete hope of entering talks with other Palestinians. Abba Eban expressed pleasure that Hussein had described the PLO as an obstacle to peace.

U.S. State Department spokesman Charles Redman talked the next day of the need for a "period of reflection" on all sides. He confirmed that the United States had told Hussein on January 25 that the PLO could have a spot in an international conference if it agreed to the three points, and that the PLO would be free to propose self-determination once a conference began. He added: "Of course, the PLO's failure to meet the King's conditions makes this a moot question. . . . The PLO has now failed the King's test, and history moves on."

The Arafat-Hussein break effectively put the issue on the back burner. In his State of the Union address on February 4, President Reagan did not mention the Middle East; nor did Secretary of State Shultz the same week in his review of U.S. foreign policy before the House Foreign Affairs Committee. And early in February the administration withdrew its year-old request for the \$1.9-billion arms sale to Jordan. As William Quandt, former president Jimmy Carter's National Security Council adviser on the Middle East, wrote shortly after Hussein's speech, Hussein was likely to bypass the PLO only if there were an Arab consensus behind such a move, or if Israel made him an offer he could not ignore, or if there were an assertive American initiative. Not one of these possibilities was in the cards.

The revelation by Washington that it had secretly offered the PLO a place at the conference table evoked a mixed reaction in Israel's divided government. On February 28 Foreign Minister Shamir met with U.S. ambassador Thomas Pickering to protest the fact that Israel had not been informed of the U.S. communication with

Hussein. By contrast, Peres's staff played down the matter, not seeing the move as a major change because, they said, Israel's agreement was still necessary for any PLO role and that would not happen. Meanwhile, senior Israeli officials on February 24 characterized Hussein's refusal to cooperate further with Arafat as a major policy change. They saw the king as trying to become the principal negotiator on the issue of the West Bank, looking for Egyptian backing and Syrian acquiescence.

Hussein continued his frontal assault on the PLO in an interview in March, published in two Kuwaiti papers. He said that he would continue peace discussions if a new Palestinian representation emerged, and accused PLO leaders of "wanting to rule the land, not just restore it." This comment expanded on a theme he had raised in his television speech, in which he seemed to criticize the Rabat decision of 1974 for turning the focus of the Arab world away from regaining the land and toward establishing PLO credibility. By his comments, the king was saying, in effect: to those in the territories to whom return of the land is the priority, I am your man. And to the Israelis and Americans he was saying something that had been implicit all through the years: in exchange for exclusion of the PLO, give me, Hussein, the territories. This was the most direct challenge to the PLO in years.

#### WEST BANK DEVELOPMENTS

As the peace process itself slowed to a dead stop, attention shifted to creating an environment in which the next surge of peacemaking might have a better chance to succeed. In late February, Peres increasingly talked of devolution on the West Bank, suggesting steps to make it easier for Palestinians in the territories to express their political views and administer their own affairs. He focused as well on economic progress as an essential ingredient for progress toward peace. In January he suggested to West German chancellor Helmut Kohl that the European Economic Community assist the Middle East through major economic cooperation. On March 30 he proposed a Marshall-like plan for the Middle East, calling for a \$28-billion program, a third each to be raised from governments, banks, and industry, in the United States, Western Europe, and Japan.

#### ASSASSINATION OF AL-MASRI

Peres's efforts had hardly gotten off the ground when they encountered a major setback. On March 2 Nablus mayor Zafr al-Masri was assassinated. He had accepted the appointment the previous December because of his perception that municipal conditions had drastically declined since the previous mayor was deposed by Israel in 1982, in an effort to curtail Palestinian nationalist and pro-PLO activities. Al-Masri's death was seen in the context of his support for Hussein over the PLO and in the king's hint that if West Bank leaders were prepared to seek a formula for peace talks, the king might follow.

The Popular Front for the Liberation of Palestine (PFLP) took responsibility for

the assassination, saying that it was a warning against cooperating with the Jordanian-Israeli scheme to replace the PLO. While the assassination was condemned not only by Jordan but also by the PLO, which had in fact approved al-Masri's appointment and saw him as a supporter, it was clearly seen as a defeat for Hussein. Al-Masri's funeral on March 3, which was attended by 50,000 people, was the scene of anti-Hussein, pro-Arafat fervor, the biggest demonstration of Palestinian nationalism since 1967.

Most West Bank leaders did not come forward to support Hussein. Following al-Masri's death, other Arabs proposed by Peres for mayoral positions refrained from claiming their positions. One, Nadim Zarou, scheduled to be mayor of Ramallah, fled to Jordan on March 3, while another, Jamil Tarafi, of El Bireh, placed advertisements in three East Jerusalem newspapers on March 4 saying that he would not accept the appointment. A group of moderate Palestinians from the Bethlehem area immediately shelved plans to join a pro-Jordanian group of West Bank political figures going to Amman to express support for Hussein.

Meanwhile, the leadership of the PLO was pursuing a low-key response to Hussein, intended to prevent an even greater rupture. Following the murder of al-Masri, PLO leader Abu Jihad on March 9 condemned the action and blamed the PFLP. On the same day, the PLO Executive Committee meeting in Tunis declared that it had not cut ties with Hussein and had not canceled the February 11, 1985, agreement.

Despite the setbacks, Israel and Jordan each had reasons to continue their efforts in the West Bank: Israel, to improve the quality of life, in the hope of winning cooperation, if not friendship; Jordan, to prevent a mass exodus of Palestinians; and their common goal of encouraging local, moderate leadership at the expense of the PLO.

On June 24 Hussein's government announced a five-year development plan for the West Bank, to be funded to the tune of \$150 million a year. Investment was intended to promote job opportunities and permanent employment in the hope of limiting emigration. However, Hussein's development plan appeared to be in trouble even before it began. Anti-Hussein demonstrations occurred almost daily in July, including the burning of pictures of the king. Jordanian representatives tried to separate the plan in the public's mind from its struggle with the PLO. Prime Minister Zaid al-Rifai claimed that the "drive has no political implications" and was not "an attempt on our part to create an alternate leadership on the West Bank." Jordanians insisted that they had developed the plan before the February 19th fallout, and it was intended only to avert a security-threatening mass exodus of Palestinians to Jordan. The PLO, however, saw the plan as part of the king's plot against the organization and encouraged resistance.

On September 28 Israeli military authorities in the West Bank appointed three Arab mayors, Abed el Magid el-Zir in Hebron, Khalil Musa Khalil in Ramallah, and Hassan Mustafa Tawil in El Bireh. All were known to be pro-Jordanian. Local residents actively promoted the appointments, hoping to find solutions to such

unmet municipal problems of a nonpolitical nature as garbage, water, and sewage. A further sign of Israeli-Jordanian cooperation was the acceptance by Jordan of a plan to have West Bank physicians complete their training in Israeli hospitals.

On November 3 a Palestinian-owned branch of the Cairo-Amman Bank opened in Nablus, the first Arab bank to open in the territories. It was reported that the Jordanian and Israeli central banks had arrived at a secret agreement providing for joint supervision of the new institution.

Resistance to Hussein, however, remained intense, both in the West Bank and in the Arab world. This was manifest in reports in early November that his plan for West Bank development was sorely lacking in money. At a three-day development conference of 150 Arab and foreign officials in Amman, Hussein asked for financial aid from the international community, but suspicions of his motives caused many to stay away who did not want to be perceived as opposing the PLO.

#### FURTHER DIPLOMATIC MOVES

In early April, with the United States retreating in its diplomatic efforts and only months remaining before the rotation would take place in Israel, Peres, on an unofficial visit to Washington, met with Secretary Shultz and Vice-President Bush. Although Peres said there was no choice but to push on, since he "didn't see anything else more promising" than the U.S.-backed effort to coax Hussein into peace talks supported by the "Palestinian people," State Department officials indicated a U.S. reluctance to make any moves during this "period of reflection." They said the ball was in the PLO's court, but they didn't expect any movement by the PLO or unilateral steps by Hussein.

While the political discussions seemed to be going nowhere, U.S. leaders talked up economic programs. On April 6 CIA director William Casey, speaking to the American Israel Public Affairs Committee, offered support for Peres's Middle East Marshall Plan. On April 22 the *Wall Street Journal* reported that President Reagan had committed himself to speaking about the Middle East Marshall Plan to his colleagues representing Western governments at their annual meeting to be held May 4-6 in Tokyo. Clearly, the theme of an economic framework had growing appeal as the political framework seemed to be breaking up.

In a speech before the American Enterprise Institute on May 7, Israeli defense minister Rabin stressed the need for patience with regard to the peace process. As long as Hussein was unwilling to move without either the PLO or Syria, Rabin said, the prospects for peace were poor. He stressed the need to develop Palestinian moderates on the West Bank, cultivate pro-Jordanian elements, extend greater autonomy to the residents, and suppress terrorism against moderates. Rabin noted that in the current environment, the most significant relationship was that of Israel with Egypt.

Peres made one more effort to persuade Shultz to come to the Middle East by sending Ezer Weizman, minister without portfolio, to Washington. Meeting with

Weizman on May 21, Shultz expressed his reluctance to return to the region without assurances of real progress. In fact, since Weizman brought no new ideas for breaking the impasse, the administration continued its recent tack of leaving the diplomacy to middle-level officials, based on its feeling that the Arabs and Israelis had to come to negotiations mainly through their own efforts.

The state of the peace process was evident from the low-key nature of Hussein's visit to Washington in June. The main news that emerged from the meetings was Hussein's announcement on June 10 that the foreign ministers of Syria and Iraq, two states long at odds, would meet in three days as a result of his mediation. (On June 13 Assad called off the meeting.) Hussein also urged Washington to pay more attention to Syria; he was described as seeing Syria as crucial to peace efforts and asked that Vice-President Bush visit Syria on his scheduled Middle East trip in July.

#### THE MOROCCAN INTERLUDE

In the midst of the dog days of summer and depressing days in the peace process, a ray of hope appeared in the form of a visit to Morocco by Shimon Peres on July 21. It was the first official meeting between top Israeli and Arab leaders since the last talks held by Menachem Begin and Anwar Sadat in 1981. King Hassan had foreshadowed the meeting in April when he made a public plea for some Arab leader to meet with an Israeli leader to learn directly of Israel's position on the 1982 Fez plan of the Arab League. He described the meeting as an attempt to get Israel to accept fundamental Arab conditions for peace—acceptance of the PLO and complete withdrawal by Israel from the territories. He indicated that he thought the time was ripe for such a meeting because inter-Arab squabbling had brought a certain paralysis to the process and because Peres, seen by the Arabs as a hope for peace, was scheduled to give up the prime minister's position in October.

The two-day visit was short on substantive achievement but long on symbolic value. In Israel, it was seen as an important step toward acceptance in the Arab world; a second major Arab country had broken Israel's isolation. Criticism of the meeting in the Arab world was far less severe than that directed at Sadat's 1977 Jerusalem visit. Jordan, which insisted it had no prior knowledge of the visit, was reserved but cool toward King Hassan. Other moderate Arab states said little, with the exception of Egypt, which welcomed it. Not unexpectedly, the radical Arab states on July 22 condemned the meeting, but only Syria broke relations with Morocco. On July 27 Hassan resigned as chairman of the Arab League, to allow the convening of an Arab summit meeting to assess his action.

The U.S. government hailed the meeting as a "historic opportunity to further the cause of peace" in the Middle East, but there was much speculation concerning Hassan's motives, including the notion that he was trying to curry favor to gain more U.S. assistance. In the long term, the summit would likely be seen as one small step in the evolution of Arab attitudes toward Israel's place in the Middle East.

## GEORGE BUSH'S VISIT

On July 25 Vice-President Bush embarked on an 11-day trip to Israel, Jordan and Egypt, the most senior U.S. official to visit the region in more than a year. Nothing of substantive importance developed during the trip. Israel and Egypt's dispute over Taba, the slip of land in the Sinai whose status was still in contention, remained near agreement on arbitration but was still not resolved by the time Bush left, and Egypt's request for American help concerning its debt remained unmet. Critics looking at the unfocused character of the Bush trip attributed it to his presidential ambitions.

Among the highlights of his visit were his call on July 29 for direct Hussein and Peres talks; his reiteration the same day of America's terms for meeting with the PLO, in conversation with 18 Palestinians; and a statement of principles, issued on August 5 on his stop in Cairo, which he said Israel, Jordan, and Egypt had agreed upon. Among the principles accepted were the need for Palestinian representation in negotiations; rejection of violence and terrorism; and a growing acceptance of Israel and of Israeli security needs.

On August 2, when Bush was in Jordan, Prime Minister Rifai reiterated his government's perception of the necessity for progress, summing up Jordan's sense of what was necessary for a breakthrough: the need to persuade the PLO to accept 242 and Israel's right to exist; to get Israel to accept the concept of an international conference; and U.S. and Soviet agreement to pave the way for such a conference. Rifai indicated that until the logjam was broken, Jordan would concentrate on assisting the residents of the territories. He noted that a portion of the U.S. monies formerly funneled to the territories through voluntary organizations was now going through Jordan.

## SOVIET-ISRAELI TALKS

August brought increasing speculation that the Soviet Union was reevaluating its attitude toward Israel and its role in the peace process. On August 5 the Soviets confirmed earlier reports that Israeli and Soviet representatives would meet in Helsinki on August 11 to discuss consular issues. While the Soviets insisted the discussions were intended simply to deal with Soviet properties in Israel, many in Israel and elsewhere thought more was involved. On August 4 Peres had said that Israel would accept Soviet participation in Middle East peace talks only if the Soviets were to renew ties with Israel. On August 17 Israeli and Soviet representatives met in Helsinki, the first official contact between the two countries since the Soviet Union broke off relations with Israel in 1967. The talks broke up after 90 minutes. The Soviets suggested that a delegation visit Israel to look into what they called "consular matters" and to inspect Soviet-owned property in Israel. But Soviet negotiators brought the meeting to an end after the Israelis asked to send a delegation to Moscow in exchange for a Soviet mission to Israel.

## ADDITIONAL U.S. EFFORTS

In Washington, on August 19, the State Department announced that the Hassan-Peres and Soviet-Israeli talks had prompted a review of U.S. policy to determine whether a new diplomatic opening existed to justify a stepped-up U.S. role. Secretary Murphy left on a trip to the Middle East on September 1 to push for a final agreement on Taba and to support the Peres-Hussein efforts to improve the life of the Palestinians on the West Bank. Two days later it was announced that Murphy had not made enough progress to justify a trip to the region by Secretary Shultz. Shultz's unwillingness to commit himself reflected his ongoing philosophy that the United States should not seem more eager for peace than the parties themselves.

Shultz did meet with Peres on September 15 when the Israeli leader was in New York attending the UN General Assembly session. Their discussion centered on an international conference with possible Soviet participation. Shultz told reporters that the Soviets could have a role only if they reestablished relations with Israel and allowed free emigration of Jews soon. Peres said, "I don't anticipate this is going to happen in the near future." He indicated that an international conference could be supportive but could be no substitute for direct negotiations on a bilateral basis. A senior U.S. official briefing reporters following the meeting said that Shultz and Peres had no apparent differences on the subject, which seemed to reflect an evolution in U.S. policy toward a more positive attitude toward the conference idea. On the other hand, Israel's foreign minister and soon-to-be prime minister, Yitzhak Shamir, reacted to efforts by Peres to pursue the conference idea with the words "What do we need this trouble for?"

Peres also met with President Reagan the same day, each making optimistic public statements afterward about the prospects for peace, widely read by the press as rhetoric to cover up the actual lack of progress during the year.

### *Israel's Relations with Syria and Egypt*

The United States found itself in 1986 concerned with two specific problems between Israel and its neighbors Syria and Egypt. In the case of Syria, the problem was to prevent war-scare talk from escalating into the real thing. And in the case of Egypt, the problem was to begin to resolve the dispute over Taba in order to move the Egyptian-Israeli relationship, the foundation of a wider peace, back on track.

#### SYRIA-ISRAEL

The year opened with talk of potential confrontation between Syria and Israel because Syrian mobile anti-aircraft missiles in Lebanon's Beka'a Valley, as well as longer-range fixed SAM-2 missiles emplaced just inside Syria, were seen by Israel as an intolerable threat to its right to fly reconnaissance missions over Lebanon.

U.S. officials said on January 4, and Israeli sources confirmed the next day, that

Syria had withdrawn its mobile missiles from Lebanon, but the longer-range SAM-2s over the border in Syria remained in place. Early in March temperatures rose following an address by President Assad in which he declared that Syria was still building toward strategic parity with Israel—Assad's goal ever since Sadat's peace left Syria as Israel's main opponent—and threatened that if diplomacy did not lead to the return of the Golan Heights to Syria, then the "Golan will be the center of Syria."

Tensions increased further on April 17 when an Israeli security guard at London's Heathrow Airport discovered a concealed bomb in a bag carried by a pregnant woman about to board an El Al flight to Tel Aviv that had 340 passengers aboard. The next day police arrested an Arab, Nezar Hindawi, whom they accused of tricking the woman, his girlfriend, into carrying the bomb. On May 7 Israeli defense minister Rabin said, "We have reason to believe that [the attempt to blow up the El Al jet] was planned and carried out by part of the established organization of the security and intelligence community of Syria."

The following day CBS News carried a report quoting U.S. and Western European intelligence sources reporting that Israel was preparing a strike against Syria. With tensions increasing, Prime Minister Peres and Chief of Staff Moshe Levy saw fit to issue statements on May 9 denying that the two countries were close to war. On May 12, however, reports surfaced of Syria building a tank and artillery trench system in southern Lebanon, which was seen by some as an effort by Syria to nibble away at Israel's deterrent capacity. On May 14 Secretary of State Shultz, citing the "highly tense situation," cautioned Israel and Syria to avoid conflict; the next day the State Department offered a more soothing assessment, saying there were "no indications that recent tensions" between Israel and Syria would lead to warfare.

Further easing of tensions followed an Assad interview with the *Washington Post* on May 17. In it he denied that either Syria or Israel was engaged in unusual military buildups or movements and indicated that tension appeared to be lessening. He also specifically denied his government's involvement in the El Al plot. Peres on May 18 welcomed Assad's comments on the atmosphere between Israel and Syria, but dismissed Assad's denial of responsibility for the El Al plot, saying he would be "very much surprised if it was done without his knowledge." By the end of May, the war scare had diminished. In June it was reported that U.S. diplomats had been secretly mediating between Israel and Syria and that Assistant Secretary Murphy had made at least one trip to Damascus.

#### EGYPT-ISRAEL

The dispute over Taba dominated Israeli-Egyptian relations for a good part of 1986. A significant breakthrough was the agreement on January 13 by the Israeli cabinet to commit Israel to arbitration to resolve the dispute, something the Likud had strongly resisted.

Egyptian-Israeli relations were not helped by Mubarak's rejection in January of

a proposal by the visiting Ezer Weizman for a summit meeting with Shimon Peres, and by an attack on four Israelis in Cairo resulting in the death of Etti Tabor, wife of an Israeli diplomat, on March 19. Peres indicated the next day that the attack would not dampen efforts by Israel and Egypt to reach a comprehensive Middle East peace agreement. Mubarak expressed his condolences to Avraham Sharir, Israel's minister of tourism, who was in Cairo at the time.

Increasingly, as the larger peace process slowed to a halt, Israeli leaders focused on the need to solidify relations with Egypt. But Egypt continued to reject the new Israeli positions, confirming the suspicion that improving its relations with the rest of the Arab world was more important than improving relations with Israel.

On August 5, after months of speculation about progress and breakthroughs in the talks, it was reported that Israeli and Egyptian negotiators had reached "substantial agreement" on a compromise formula for submitting the dispute to international arbitration. U.S. officials had sought to achieve a final agreement while Bush was in the region, but it was not to be. Assistant Secretary of State Murphy, who had accompanied Bush, stayed behind to work on remaining details.

The last issues were resolved on September 10, worked out in Cairo by Murphy and Egyptian and Israeli negotiators. The arbitration process itself was expected to take 18 months. The resolution of the arbitration issue cleared the way for a summit in Alexandria on September 11, which lasted three hours. Egypt agreed to return its ambassador, and a joint statement was issued calling 1987 "a year of negotiations for peace." Both Peres and Mubarak indicated their support for an international conference, but remained fundamentally apart on a role for the PLO and on Palestinian self-determination, both of which Egypt favored and Israel opposed. The United States welcomed the summit as a "positive step" that it hoped would "pave the way for a broader peace in the region," while the Arab League on September 12 condemned it as a "public relations exercise." On September 23 Egypt's chargé d'affaires in Tel Aviv, Mohammed Bassiouny, promoted to ambassador, presented his credentials.

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