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לכבוד מר יצחק שמיר ראש חממשלח ירושלים ו Fax 385491 ירושלים

כבוד ראש חממשלת,

## הנדון: בטשה לפגישה עם סבוצת חברי סונגרס מארחייב

החל מה-14 לאוגוסט, עורך מכון ירושלים לחקר ישראל בשיתוף עם משרד חחוץ וארגון PROJECT INTERCHANGE מארחייב, סמינר לקבוצת חברי קונגרס שזו לחם כחונתם חראשונה בבית חנבחרים. מטרת הסמינר לימוד אינטנסיבי ומעמיק של מדינת ישראל, בעיותיה וחשגיה. במחלך הסמינר תיפגש הקבוצה עם שרים בכירים בממשלה, עם חברי כנסת, אנשי צבא ואקדמיה. הקבוצה תסייר ברחבי הארץ.

נודח לך מאד אם תואיל לחפגש עם חברי חקבוצח לסקירת חבעיות חמרכזיות שעל סדר יומח של מדינת ישראל.

> בברכת אורה אחימאיר מנחלת חמכון

> > לוטח: רשימת חמשתתפים.



#### מועצת הישובים היהודיים ביהודה, שומרון וחבל עזה.

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לכבוד השר אריאל שרון שר התעשיה והמסחר <u>ירו</u>שלים

, ברם רב,

הנדון: תנאי יצוא לארה"ב

למיטב ידיעתי נשיא ארה"ב חתם על צו שלא מאפשר למפעלים ישראליים ביש"ע להנות מתנאים מועדפים ביצוא לארה"ב.

יש יסוד סביר לחשש שבעקבות זה מדינות נוספות יוציאו צווים דומים.

מצב זה יעכב מפעלים המוצאים להגיע ליש"ע ויגרום שמפעלים קיימים יעבירו את פעילותם מיש"ע.

אבקש את התערבותך מיידית על מנת שהמפעלים ביש"ע יקבלו פיצוי שישווה אותם לשאר המפעלים.

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> > העתקים: מר יצחק שמיר:ַ- ראש הממשלה שרי הליכוד -

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soon, and we'll have a fact sheet on the Secretary's CFE announcement just momentarily.

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HEARING OF THE EUROPE & MIDDLE EAST SUBCMTE OF THE HOUSE FOREIGN AFFAIRS CMTE/RE: DEVELOPMENTS IN THE MIDDLE EAST/CHAIR: REP. LEE HAMILTON (D-IN)/WITNESS: JOHN KELLY, ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS/WEDNESDAY, JULY 12, 1989 F-3-1 page# 1

REP. HAMILTON: Mr. Secretary, I think we'll go ahead and start, because members are voting and you can begin on your statement.

The meeting of the Subcommittee will come to order. The Subcommittee on Europe and the Middle East meets today in open session to review policy issues and developments in the Middle East and in the Persian Gulf. Although the Subcommittee had extensive foreign aid hearings, this is the first open session in the 101st Congress to review US policy towards the Middle East with the new administration. Much has happened since January, and we'll want to cover a lot of ground with you today.

Of particular interest to the Subcommittee will be the status of efforts to further the search for peace in the Middle East, the prospects for EelectionsF in the EWest BankF and EGazaF, the situat.

in the West Bank and Gaza, and trends in the uprising now in its 20th month, the substance of and progress in the United States-PLO talks, the situation in Lebanon, and the status of efforts to implement UN Resolution 598 to end the Iran-Iraq war.

We are pleased to have with us today Assistant Secretary of State for Near Eastern and South Asian Affairs John H. Kelly, to discuss these and other issues. This is Secretary Kelly's first appearance before the Subcommittee in his new assignment. He had a long and distinguished career in the Foreign Service. He served recently as United States Ambassador to Lebanon.

Secretary Kelly, we welcome you before the Subcommittee. We certainly wish you well in your new assignment, and we look forward to the opportunity to work with you in the months ahead.

You have a prepared statement. That prepared statement, of course, will be entered into the record in full. You may proceed to summarize it if you would before we turn to questions, and I'm quite

sure that members will be coming in very shortly. You may proceed, sir.

MR. KELLY: Thank you, Mr. Chairman. Thank you especially for those kind remarks of welcome. I have an abreviated version of the prepared statement. With your permission, I'll proceed to read that.

REP. HAMILTON: Yes.

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MR. KELLY: I am pleased to appear before the Subcommittee today, Mr. Chairman, to discuss recent developments in the Middle East. I welcome the opportunity to begin what I hope will be a series of regular consultations on the region. Today, I'll focus of

the Arab-Israeli peace process, Iran, and Lebanon.

A long-standing interest of the United States in the Middle East is to assist in efforts to resolve the Arab-Israeli conflict through direct negotiations, based on UN Security Council Resolutions 242 and 338. This approach is based on key principles, including that of the exchange of territory for peace. For a settlement to be achieved and to be durable, Israel must enjoy security with defensible borders. A settlement must provide security and recognition for all states in the region, as well as providing for the political rights of the Palestinian people.

Principles alone, however, will not guarantee a settlement. We're embarked on a pragmatic approach designed to end the current tragic cycle of confrontation and to get Israelis and Palestinians engaged in a political process. An authoritative dialogue between Israelis and Palestinians from the West Bank and Gaza could enable the parties to break down walls of mistrust, alter their risk assessments, and focus on ways to negotiate. Such a dialogue would also help to structure elections.

In order to launch a political process involving negotiations on interim arrangements and final status of the Occupied Territories, two factors now guide our thinking. First, we see real

opportunities resulting from changed thinking in the region.
Israelis and Palestinians — and, I might add, the other Arabs — have begun to acknowledge the need to engage one another directly. Israel has put forward a constructive initiative. The PLO has finally accepted UN Security Council Resolutions 242 and 338 and Israel's right to exist. Egypt has gained readmission to the Arab

League, without compromising its peace with Israel. The parties continue to face significant obstacles that have blocked progress in

the past. Gaps between positions on substantive issues are still broad. Suspicions between the parties have been heightened by violence. Leaders on both sides face divisions within their own communities.

It is within this context that we support the government of Israel's peace initiative. The Israeli election proposal is a serious effort that we endorse wholeheartedly. It holds great promise, and we believe is worth building upon. The May 14 proposal

adopted by the government of Israel is a serious effort to engage Palestinians directly in a political process. It acknowledges that the Palestinians have political rights and aspirations that must be satisfied. The initiative deserves a serious and positive response from the Palestinians and the Arab states.

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Moving to Iran, Mr. Chairman. That country continues to command attention because of its size, location, and influence. It is too early to assess the impact of the Ayatollah Khomeini's passing on the internal politics of Iran. The leadership moved quickly in an outward display of unity to close ranks around Khomeini's successor, President Khamenei, but, Khomeini's death? leaves the future course of Iran unclear. It is too early to tell whether Iran will move in a more positive direction, or remain isolated among the international community.

Mr. Chairman, I will conclude with a couple of remarks about Lebanon. The situation in Beirut remains extremely volatile. Both

sides have accepted in principle, an Arab League call for a cease-fire, however, sea and land blockades continue. A crossing was opened in Beirut a few days ago, but the sea blockade remains unresolved over the issue of arms shipments. These blockades have caused severe shortages of fuel and food, particularly in the Christian enclave of East Beirut. The cease-fire remains unfulfilled, shelling continues on a daily basis. The US strongly urges an end to the involvement of foreign forces, and restraint in the shipment of arms from foreign forces.

On June 14, the President met with Prince Saud al-Faysal, the Foreign Minister of Saudi Arabia, to discuss the efforts of the Arab

League to resolve the Lebanon crisis. The President welcomed the collective efforts of the leaders of "Saudi Arabia", Morocco",

.Algeria . The President expressed our support for their mandate t

pursue urgently a political process in Lebanon that leads to elections reforms and a new national consensus.

Mr. Chairman, that concludes my summarized presentation of the lengthier oral statement. And I would be honored to try to address your questions and those of your colleagues.

REP. HAMILTON: Well, thank you very much, Mr. Secretary.

Many things to cover with you today. I want to begin with the peace process and the announcement in the paper today -- and I guess

yesterday as well — that the United States plans to send Mr. Eagleburger to Israel. And as stated in the paper, his purpose is to persuade the Labor Party — one of his purposes is to persuade the Labor Party not to leave the coalition. He is making such a trip, I presume?

MR. KELLY: Mr. Chairman, that's still undecided. Secretary Baker told the press Monday, in Europe, that there would be someone going to Israel next week. But the Secretary and the President have

not yet decided whether or not it will be Secretary Eagleburger, Director of Policy Planning Ross, myself, or a combination of the three of us.

REP. HAMILTON: I see. It's a rather extraordinary thing, isn't it, for the United States to inject itself to that extent into

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Israeli domestic politics, to go over there and to tell them that we think Labor ought to stay within the coalition?

MR. KELLY: Mr. Chairman, I'm a little distressed at that interpretation of the trip. The purpose of the trip would be to have an exchange with members of the Israeli Government about the peace process, what its prospects are, and what we can do to be? supportive of that process. It's not our intention that anyone would go there to interfere in Israeli domestic politics, but rather

to have a healthy exchange with members of the Government, as we try to do on a regular basis.

REP. HAMILTON: So, you would make no statement on behalf of the United States Government to the effect that you would hope that the Labor Party would stay within the grand coalition?

MR. KELLY: No, Mr. Chairman. I think that's something that the parties in Israel have to decide for themselves.

REP. HAMILTON: And what -- how will you handle the recommendations of the Likud Party with respect to the election

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proposal? Will you try to ensure that the Likud Party positions
with respect to the election does not become Government policy?

MR. KELLY: Mr. Chairman, we're still operating on the basis that the Government of Israel's May 14th proposal on the peace process, on negotiations with Palestinians from the territories and on elections is the operative and legally binding basis for the Israeli Government to proceed.

REP. HAMILTON: Do you think Frime Minister Shamir is not bound by the Likud Party statement?

MR. KELLY: We believe that the Government decision of May 14 remains binding. Now, we have said publicly that we believe that the conditions set at the Likud Party conference last week did not advance the process. But we hope that the process can move forward on the basis of the May 14th decision of the Government of Israel, and that's the basis we're operating on and that's what we want to push forward with.

REP. HAMILTON: How do you view the conditions set by the Likud Party?

MR. KELLY: Well, as I said, sir, we have — we have said publicly that we do not believe that they advance the process. Clearly, they represent strongly held feelings.

REP. HAMILTON: Would they disrupt and destroy the process?

MR. KELLY: We do not believe they will destroy the process. We think --

REP. HAMILTON: If they become Government policy, you do not believe they will destroy the process?

MR. KELLY: If they became Government policy, obviously they would make it more difficult. But we do not believe that the final act has been played, that any curtain has come down on the Israeli Government's May 14th proposal, and we're continuing to try to accentuate the positive.

REP. HAMILTON: And your view is that the Prime Minister is not bound by the Likud Party?

MR. KELLY: The Prime Minister has to speak for himself, Mr. Chairman.

REP. HAMILTON: No, I understand that.

MR. KELLY: But as we understand it, Likud ministers --

REP. HAMILTON: Does the action of the Likud Party commit the Prime Minister to carrying out the proposals adopted by the Likud Party --

MR. KELLY: As we understand it, Mr. Chairman --

REF. HAMILTON: -- as the leader of the Government?

MR. KELLY: As we understand it, Likud ministers are going to promote those positions within Government councils. However, our interpretation is that the decision of the Government of May 14 is still the operative binding premise.

REP. HAMILTON: All right. What is the US strategy at this point for getting the dialogue between the Israelis and the Palestinians started? What is our strategy?

MR. KELLY: Our strategy is to attempt to persuade the Palistinians that their interest lies within a dialogue with the Government of Israel that could lead to elections.

REP. HAMILTON: Will we try to produce Palestinian names that are acceptable to Israel?

MR. KELLY: Will we, ourselves, Mr. Chairman?

REP. HAMILTON: Yes.

MR. KELLY: No, I don't foresee that that's our responsibility.

I think it will be up to the Palestinians to work out who their representatives are going to be, but obviously, in a realistic world, those have to be people that the Israelis are willing to a down and talk to.

REP. HAMILTON: All right. I want to come back to that and I certainly want to explore with you the US-PLO dialogue. May I say to the members of the Committee that I know we'll have a lot of interest in this hearing. It's the intention of the Chair to try to

enforce fairly strictly the five-minute rule, and I'd request that members not ask question once the red light appears -- ask further questions. We'll come back to you on the next round.

Mr. Smith?

REP. LAWRENCE SMITH (D-FL): Thank you, Mr. Chairman. You've got to go quick with the green light. Mr. Kelly, it's a pleasure to

have you here. For the first time, we all look forward to a significaew days with the conversations that have been had between unnamed, high-level

officials in the State Department and the press, where the press, and it's quoted in one article today, where the press has reported that there are in fact, for instance, quote "A senior official? traveling with Secretary of State Baker told reporters over the weekend the US may consider organizing an international peace conference if Israel adds so many conditions to its proposal for elections in the West Bank and Gaza that it becomes impossible for Palestinians to accept.

That is something that we were not aware at all that the administration was talking about. And all of a sudden, injecting this kind of new dialogue into it gives life to the argument that the Palestinians have always made, at least amongst themselves, "You

don't have to do anything, we just sit back and wait, and let everything else self-destruct around us."

For the last six months, unless I am mistaken, the State Department hasn't reported any significant movement, either tha PLO or the Palestinians in the territory on almost any issue, and certainly since the time Shamir was here and unveiled his proposal, nobody has endorsed it. Am I correct?

MR. KELLY: That is correct.

REP. SMITH: Therefore, with this new wrinkle now added by unnamed officials in the State Department, even if it's not the Secretary himself, they are being rewarded, so to speak, for not having made any moves at all, although we've been for the last six months, contrary to 20 prior years of policy, discussing issues with

them and talking to them at the highest levels, including talking  $t \circ$ 

known, wanted terrorists — people who are under extradition by our allies. We've talked to them in Tunis and yet we have had no forward progress at all, and now our own State Department is saying things that are an anathema to the Israelis. Can you explain to why that's happening? On what basis these statements would be made

and of what benefit they would be ultimately in the long run, to bring Israel -- are we now convinced we have to beat Israel over the

head and let the PLO just move at their own pace or do nothing at all?

MR. KELLY: Congressman, let me try to shed some light on that.

On Monday, the Secretary of State said on the record, in front of the TV cameras, that we don't think the time is right for an international peace conference. When this administration came into office last January, the international peace conference seemed to be

the center of attention and what everyone was talking about. The action of the government of Israel is proposing talks with Palestinians from the territories and elections, has shifted the ground very constructively, and we've been trying to assist that shift. We've been arguing with the Europeans, with the Soviets, with the Arabs, and with the PLO that negotiations between Palestinians in the territories and the government of Israel is the way to go, not an international peace conference.

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REP. SMITH: Well why, again, are there reports in the paper by unnamed high, State Department officials that this State Department is about ready to talk in terms of an international conference? On

the second, July 2nd, in a New York Times report, an administration official is quoted as saying, "In the context of US-PLO dialogue, PLO leaders have started with a clean slate and the US would disregard any past involvement in terrorism." Another attempt, apparently to push Israel further over, onto some desired level of cooperation in terms of this whole process, that apparently the State Department doesn't believe Israel has achieved — is it our policy now to by selectively leaking things, that the PLO are no longer terrorists, and that the State Department is going to now talk about a multi-national conference. Are we of the opinion that we are in a mode, or is it a State Department opinion we have to be in a mode of beating Israel over the head somehow, and treating the PLO with kid gloves? That's never gotten us anywhere, neither had the opposite. And I want to know whether or not we've changed our policy?

MR. KELLY: The answer, Congressman, is no, our emphasis is still on the government of Israel's proposal. That's what we're promoting. We are not shifting to support an international peace conference.

REP. SMITH: So, the State Department now refutes that it is at any time prepared to endorse the multinational conference concept. That is, under current circumstances — is that correct?

MR. KELLY: In the mode we are now, we're not looking to the international peace conference. Now, we have said that at a future date under the proper conditions, as a support to negotiations, we don't rule out the possibility of an international — but that's not

the focus of our diplomatic effort or push.

REP. SMITH: And those negotiations are with direct negotiations between Israel and the Palestinians --

MR. KELLY: That's right.

REP. SMITH: -- and other parties like Jordan.

MR. KELLY: That's right.

REP. SMITH: We still maintain that.

MR. KELLY: That's right.

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REP. HAMILTON: Mr. Gilman.

REP. GILMAN: Thank you, Mr. Chairman. I, too, want to welcome Secretary Kelly before us. We look forward to working with you in the days ahead, and you're in a particularly hot seat these days. And we hope that you're going to be able to make a significant contribution to the peace process.

Mr. Kelly, what is our position now with regard to an international conference? We've seemed to be waivering from one direction to another. I know Secretary Baker and the President have

said on a number of occasions that we do not support an international peace conference in the Middle East. Have we changed that position? Can you set that forth for us today?

MR. KELLY: Congressman, we are still convinced that the May 14th proposal by the government of Israel offering negotiations with Palestinians in the Territories, which could lead to elections.

are the sensible way to go. We've been deemphasizing the international conference and trying to shift the focus to direct contacts among the parties, which we think is the way to make some progress.

We have argued that with our friends in Western Europe; we have argued that with Arab states in the region; we have argued that with

Soviet officials; and we have argued that with the PLO. So we are? not putting the emphasis, or shifting the policy of the United States, to support now an international conference. That does not mean that we rule out the international conference under all possible scenarios in the future as a support to direct negotiations

but we don't think the international conference is the way to go.

REP. GILMAN: So we still maintain that -- the position we've adopted earlier.

MR. KELLY: Yes, we're opposed to an international conference involving Israel and the Arab nations.

REP. GILMAN: Many of us are disturbed about the people that we are meeting with in the -- who are the PLO -- ostensible PLO representatives. And I gather that we made a policy statement that

we would not meet with people who are further engaged in terrorism. And we've started with the slate being clean after Mr. Arafat

declared that he would rule out terrorism, except within the boundaries of Israel apparently.

How do we explain that we're now meeting with people like Abu Iyad, who has just been — an order of extradition — came out of EItalyF because of his involvement in supplying arms to the Red Brigade, and meeting with people who are involved in the Black September group? How do we explain that in relation to our policy of trying to negotiate with a group that has declared themselves not

to be involved with EterrorismF?

MR. KELLY: Congressman, what we're attempting to do is to persuade the leadership of the PLO that "armed struggle," or whatever they call it, the path that they have followed for several decades, is a dead-end path; that the path of success is the path of

negotiation between Palestinians in the territories and the Government of Israel and the abandonment of terrorism and of armed methods against anyone.

Now, as a New Yorks Times editorial has put it a week or so back, the US role in part of this, in support of the Government of Israel's proposal, is to persuade the PLO that this is a sensible course for them to follow. "To persuade" implies contact, and that is why we are having contact with some of the people in the PLO leadership who certainly have records which draw questions, to put it mildly, on anybody's part. For better or for worse, the membership of the PLO Excecutive Committee involves a number of individuals who may well have been involved in terrorist activities in the past. We are trying to persuade them and convince them that terrorism, that arms struggle offers no solution. It's not up to us

to sell Israel to the FLO; it's up to the Palestinians to sell themselves to Israel, as people who have abandoned violence, as people who are willing to go on the political track to try to advance the cause of their people.

REP. HAMILTON: Well, I would hope we would pick better representatives with regard to our discussions. We've even cut off

our relationships with the People's Republic of China because of their violation of human rights, and now we're suddenly sitting down

at a table with people who are not only declared terrorists but have been found by courts and other jurisdictions that they've committed acts of crime. And it seems to

me that we do ourselves a disservice by sitting down at a negotiating table with people of that nature, and I would hope we'd take another look at that policy. It leaves a great deal to be desired.

Can you tell us what our policy position is now with regard to Lebanon?

MR. KELLY: On Lebanon, Congressman, I have, as you know, some personal experience there and a sense of personal grief.

REP. GILMAN: That's why I ask you. As a former ambassador, I'm certain you have some concerns.

MR. KELLY: I have a sense of grief that that country continues

to suffer. The latest effort among many over the last 14 years to bring peace to Lebanon is this try now by the leaders of three Arab states, Saudi Arabia, Algeria and Morocco to bring about a national reconciliation in Lebanon. Their plan, in a nutshell, involves a cease-fire on the ground, which still hasn't been accomplished; a meeting of parlimentarians which would lead to elections and reform in Lebanon; and a withdrawal of foreign forces, all foreign forces, whether they be Syrian, Iranian or Israeli. And that's a wonderful objective. We are trying to land positive public support to that effort. We're talking to the Europeans about it, we discussed it with the Soviets a few weeks ago. We are talking to the Arab parties and we're talking to the players on the ground in Lebangn The President met a few weeks ago with the Foreign Minister of Saudi

Arabia and publicly endorsed this effort. And so, we're doing everything we can to try to be supportive.

REP. GILMAN: I would hope we'd make some progress in that direction. We make a lot of statements about condemning the stone throwing in Israel and yet, thousands of people are being killed yearly in Lebanon as that country goes down the drain. Thank you, Mr. Secretary.

REP. HAMILTON: Mr. Lantos.

REP. TOM LANTOS (D-CA): Thank you, Mr. Chairman. Mr. Kelly, want to welcome you, look forward to a long and constructive and exe-

relationship. We met each other many years ago and it was a very constructive meeting, and I hope all of our future meetings will

I'm going to give you an opportunity to rise to the level of candor that Secretary Shultz attained in a public hearing last year. This was at the outrageous human rights violations that the Chinese perpetrated in Tibet, killing large numbers of innocent people. And the State Department representative with whom I? appeared on a television program danced around the issue as to whether, in fact, there was any human rights violation, and he wasn't sure and so on. And George Shultz, on the witness stand, publicly contradicted that wishy-washy statement and said, "That's right. It was an outrageous violation," and so on.

You have your chance now. After that outrageous terrorist attack on the bus within Israel, for days and days and days, the State Department was not quite sure whether, in fact, it was a terrorist attack or not. I want to read a statement to you, and I'd

like to ask you to listen carefully:

"The tragic event on the Tel Aviv-Jerusalem road is an act of terrorism directed against innocents. There is no justification for

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of every sane man, no matter what his position on the political developments in the Middle East may be, to condemn this abominable act in the strongest terms. I hope that the Palestinian national leadership will also react in this fashion and will prove that its declaration to distance itself from terrorism in all its forms is not a mere political declaration but that it expresses the de facto Palestinian policy. From a humanitarian standpoint, this is a horrendous crime. But also, from an operative political standpoint this is a crime

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East."

You know who said this? Moscow Radio said this. Moscow Radio denounced this outrageous terrorist act, while the State Department was still diddling about, trying to get evidence whether it was terrorist act. And only when it was forced, by news reporters' persistent questioning, did you guys finally say, "Yes, it was terrorism."

Can you now state whether the State Department's position was initially sound, in wondering whether this was terrorism, and what it's position is now on this issue?

MR. KELLY: The position now, Congressman, as we said yesterday to the press, is that it indeed was a terrorist act.

REP. LANTOS: Why did it take you this long to make up your mind then? Radio Moscow was so clear in its condemnation, so eloquent in its condemnation, before our own State Department.

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MR. KELLY: The -- the --

REP. LANTOS: The 14 dead were not enough evidence?

MR. KELLY: I'm sorry, sir?

REP. LANTOS: The 14 dead -- dead people -- 14 civilian, innocent dead people was not enough evidence for you that terrorism occurred?

What does this do to the moral standing of our anti-terrorism?

MR. KELLY: The —— the first reaction in Washington was that this was a —— a terrible, heinous act. What we did not know, Congressman, was whether it was the act of an organized terrorist group or the ——

REP. LANTOS: Now you do.

MR. KELLY: -- or the act of one deranged individual.

REP. LANTOS: Now you do.

MR. KELLY: The evidence still is not clear. But certainly, in the sense that this man was acting against Israeli citizens, he was not a man acting on Mars —

REF. LANTOS: So, nothing --

MR. KELLY: -- it was a --

REP. LANTOS: -- has changed?

MR. KELLY: -- terroristic act.

REP. LANTOS: So, nothing has changed between your knowledge now and the knowledge an hour after the event happened; is that what

you're saying?

MR. KELLY: We know more about the individual, yes. Our knowledge had changed.

REP. LANTOS: Yes, but you still don't know whether he's part of an organized group?

MR. KELLY: We do not.

REP. LANTOS: Okay. So, you could have condemned it as an act of terrorism right off the bat, couldn't you have?

MR. KELLY: An hour afterwards, we didn't know his name --

REP. LANTOS: Well, how about a day afterwards?

MR. KELLY: We --

REP. LANTOS: You were just trying to waffle, Mr. Kelly. Those

are the facts.

And your inability to condemn what was a stupid policy, it was just plain stupid. You did not condemn a terrorist act that the whole world, including Radio Moscow, designated as a terrorist act. You did not want to hurt the feelings of Arafat and the people you are negotiating with in Tunis.

Let me ask a second question because time is short. I find it remarkable that we now have a sort of reverse policy of what common sense would dictate. You treat your negotiations with the PLO in Tunis involving convicted terrorists, involving people who were responsible for the most heinous crimes such as the Olympic massacre

at Munich and other terrorist acts in total secrecy and total privacy. Nobody knows what's happening. Certainly members of this Committee don't know what's happening. But you put public pressure

on our friend and democratic ally, the state of Israel.

Now, there is no reason for Mr. Eagleburger, for whom I have the highest regard, to go to Israel and find out whether they really

want peace or not. The last 40 years of Israel's history, during the course of which it was invaded by countries determined to wipe it off the face of the map, its stated public policy to meet with all of the leaders of all of the neighboring states, with Assad, with Hussein, with the Saudis, with everybody in the neighborhood who runs a hostile state, is clear evidence of this. Mr. Eagleburger has plenty of work to do right here. What is the purpose of your thinking about — Mr. Baker thinking about sending Mr. Eagleburger or you to Jerusalem?

MR. KELLY: If I may, Congressman, and I believe the Chairman asked the same question about the trip. If I can fill in very briefly. A final decision hasn't been made on whether it's going

be Secretary Eagleburger, whether it will be Dennis Ross, the Director of Policy Planning, whether it will be me or a combination of the three of us, but set that aside. The purpose of the trip is what's important. And the purpose is not to ask the government of Israel whether it's committed to peace, we ar

convinced that it is. The purpose of the trip would be to have a regular interchange with members of the government of Israel on how they see the process going, what can we do to be supportive --

REP. LANTOS: That's not the impression you get. You get the impression of a hysterical move which is certainly warranted by circumstances. You have a diaglogue through your ambassadors, our ambassador there and their ambassador here. Mr. Eagleburger should stay here, there are plenty of other things to deal with. Thank you, Mr. Chairman.

REP. HAMILTON: Mrs. Meyers.

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REP. MEYERS: Welcome, Secretary Kelly, glad to have you with us.

MR. KELLY: Thank you very much.

REP. MEYERS: There are those who suggest that despite the party plenum, Likud is being forced to move more to the political center and that Shamir's rhetoric is because — he's being forced to

maintain a tough public position, but that he too, would like to move more toward the political center. Do you think this is an accurate perception??

MR. KELLY: I think it's difficult to -- if you look into the inner thought processes of any individual -- I think we have to deal

with governments and politicians on the basis of what they say. An

in that sense, we consider the May 14th decision of the government of Israel to have been an historic one. The National Unity government decided something that hadn't been — of a status that

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hadn't been decided, atart of people who are extremely supportive of Israel, that they would like to see more flexibility on the part of the government, and more moving toward flexibility in the peace prox

Do you see the Shamir government as having any more flexibility at all than the positions taken at the Party plenum might indicate?

MR. KELLY: As we said publicly, Congresswoman, after the Likud Party conference, we thought that the conditions that were set forth at the conference were an impediment to moving the process forward. But we are trying to accentuate the positive, in the sense that we are still operating on the basis of the formal governmental decision of May 14th. And we hope that we're going to be able to be supportive and pursue that proposal and that that proposal will be one that opens doors.

REP. MEYERS: What kind of a role do you see that the surrounding countries might be able to play in bringing about a resolution? Is there a role for EJordanF to play, or have they — have they just taken themselves completely out of the picture?

MR. KELLY: The surrounding countries can play a crucial role, both in urging moderation on the PLO and in enhancing contacts with -- and promoting contacts with the Government of Israel. Jordan has

not dealt itself out of the peace process. And when the King of Jordan was here several months ago, he reiterated his interest in the process and talked about the constructive role that Jordan would

be willing to play in the future — for instance, in the context of a final status arrangement in which Jordan would be willing to consider confederation with some sort of Palestinian entity.

So, the Jordanians have not dealt themselves out. They are still active. They still have not ruled out the possibility, at some point in time, of a Jordanian-Palestinian delegation.

REP. MEYERS: What about the role of Syria?

MR. KELLY: Well, the ESyriansF, I believe, have taken a more recalcitrant position about the peace process. Syria has generally said publicly that it would adopt positions which represent an Arab consensus. This is a rather fuzzy statement and could mean, therefore, that the most extreme position that prevents a consensus would be the consensus that Syria might support.

But we believe Syria has a role to play in a comprehensive settlement, that their best hopes, as do everyone's best hopes for hope, when the time comes, Syria will be prepared to play a role in the peace process.

REP. MEYERS: Thank you, Mr. Chairman.

REP. HAMILTON: Mr. Levine.

REP. LEVINE: Thank you, Mr. Chairman.

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I'd like to join my colleagues in welcoming you, Mr. Secretary

and reiterate that we are looking forward to a close relationship, and to underscore the importance to this Subcommittee of the issues that you're dealing with; and to urge you respectfully and strongly—and I know that you share this concern—to have as many consultations and as close of a relationship as possible. I think it would be very helpful in terms of this process.

I wanted to follow up on a question that Mr. Smith asked when he was raising questions about the international conference suggestions that we've read about in the press. He referred to a press article about 10 days ago. I happened to see in both the LA Times and the New York Times just last weekend the same set of suggestions on the Secretary's trip to Brunei from high-ranking administration officials that there may be a resurrection by Secretary Baker of the United States initiating an international conference. I was pleased to hear your statement today that that

not our policy and that the Secretary of State on the record on Monday indicated that we continue to strongly support the election proposal and that we are not proposing at this time an international

conference. That is the Secretary's position, is that correct?

MR. KELLY: Yes, sir.

REP. LEVINE: I must confess that in the context of being pleased about hearing that I am baffled about what are very clearly mixed signals that come from this administration. And if you'll indulge me just for a minute or so, they are not just on the international conference. You have the mixed signals on the one hand of the contradiction between the reports that we've alluded to in the press and your reiteration today of our position on the international conference. But they have occurred on other issues as

well.

And this Secretary and this administration now sadly, and I think unfortunately counterproductively, have engaged in a pattern of conduct over the course of the last several months: the public criticism of Foreign Minister Arens when he was here; the speech that the Secretary gave at AIPAC which may have been balanced and even-handed in its entirety, but which had one intention and one clear intention in mind as was admitted by some administration spokespeople privately and that was to send a signal to the Israelis; and then the elevation of the dialogue of the PLO only a few days, at least in its disclosure, before the Likud meeting in Israel on July the 5th. I worried that that pattern of conduct would inadvertently undermine Shamir to the benefit of the very far right in the Israeli political process, with Sharon et al being able

to say to Shamir, "Look you come up with a pretty dramatic and far-reaching election proposal and you get three pokes in the eye by

the Secretary of State and the Bush administration," and then we have, sadly, the conditions that were imposed at the Likud conference.

Can you explain to me just what our policy is with regard to the election proposal and how we can move toward being more consistent in terms of encouraging whatever that policy is, rather than providing the kind of mixed messages which sadly have unintended negative consequences in terms of the peace process?

MR. KELLY: Congressman, I see our policy as being aimed at producing results and the results that we're trying to get are negotiations between Palestinians in the Territories and the government of Israel, which could lead to elections. Nothing more nothing less. That doesn't mean the international conference or doesn't mean various other circuitous paths that people describe. I

would beg to differ, I hope there was no discourtesy shown to the Israeli foreign minister during his visit of a couple of months ago.

I know that everyone in the administration would deplore such.

Clearly, as someone wrote in one of this morning's newspapers, in a relationship as intimate as the one between the United States and Israel, there are an awful lot of contacts and there are sometimes disagreements about tactics. But I see the disagreements as being about tactics, when they arise, and not about objectives or

about goals. And the goals are to alter the patterns of behavior in

the Middle East, away from violence, towards acceptance of Israel and towards dealing with Israel as a legitimate, fair, proud, sovereign entity in the Middle East.

No administration has a perfect record, and I'd be surprised if

we do. But that is our objective and our goal, and we want to keep our eyes set on that objective goal and work to enhance it. And in practical terms, that means support for the Government of Israel's May 14th proposal.

REP. LEVINE: Well, Mr. Secretary, I'm relieved and pleased to hear your answer, and I support it and welcome it. I would only comment that I think it is most likely to be most effectively implemented with maximum consultation between the Executive Branch and the Legislative Branch and also between the administration and our friends from Israel.

I think, unfortunately, in light of that very clearly expressed

goal, it has been implemented thus far with a great deal of clumsiness, which has been quite counterproductive, in the early parts of this year. And I hope that we will keep our eye on the ball between now and the — hopefully, putting the flesh on the skeleton of this process.

REP. HAMILTON: Mr. Torricelli.

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REP. ROBERT TORRICELLI (D-NJ): Thank you, Mr. Chairman.

Mr. Kelly, I, too, would like to welcome you to the Committee and look forward very much to working with you. I'm certain you've already ascertained your years of experience in Lebanon will serve you well in preparing you to deal with this Committee. (Laughter.)

Mr. Kelly, perhaps you could help me understand, as well, a point that several have approached. This point at which the administration decides that it would shift its position with regard to support for the current proposal for elections to eventual negotiations, as opposed to an international conference; is the only

occurrence which shifts that policy a determination that the May proposal by the Israeli Government for elections is, in substance, no longer on the table? As long as you believe, in substance, that proposal is still on the table, American policy does not shift; is that how you characterize it?

MR. KELLY: I think that's fair, Congressman, if I may add one other element — and that would be, obviously, if the proposal matured and was brought to fruition and a negotiation between Palestinians and the Government of Israel was fruitful and at that point we agreed that it would be — you know, it would give a helpful impetus in one way or another, we wouldn't rule out an international conference in that context.

REP. TORRICELLI: The international conference proposal is held in reserve and will remain such unless you are convinced the election proposal is, in substance, no longer on the table? Is that the position you've attempted to outline here today?

MR. KELLY: I think that's --

REP. TORRICELLI: And that determination will, in part, be reached by this mission to Jerusalem?

MR. KELLY: No, that's not the intention of the people who will go to Jerusalem, whomever they get decided to be.

REP. TORRICELLI: So then there's not an effort being made to further clarify the Israeli position. You're simply operating with the assumption, unless you are persuaded otherwise, that the election proposal in substance remains on the table.

MR. KELLY: We are persuaded that the substance remains on the table --

REP. TORRICELLI: Let me get --

MR. KELLY: -- and that's the basis on which we're operating.

REP. TORRICELLI: Let me get some of that substance to see if

we can't -- you cannot help me understand whether, in fact, the substance of the proposal has changed or simply is being described for internal political purposes, in Israel perhaps, differently.

With regard to settlements, is it your belief that in reserving the right politically to continue settlements during the preliminar  $\gamma$ 

stages of election or through those elections — does that have a difference, in fact, in that — are there funds available, plans in the works — that settlements will, in fact, occur during this period? Or are they — is the Likud simply reserving a right that is unlikely to be exercised in any account?

MR. KELLY: Congressman, my understanding that — is that the current government of Israel is proceeding with some settlements, they agreed when they formed the government last autumn.

REP. TORRICELLI: So you believe that in fact these new clarifications that have been made in the election proposal with that regard does have substance?

MR. KELLY: Well, I think that was happening before the Likud Party conference. I should also add that —

REP. TORRICELLI: Do you believe it will continue to the new year?

MR. KELLY: -- the United States has been on the record --

REP. TORRICELLI: All right. Let me just go through a couple of others. The decision about people in East Jerusalem not being able to vote as said in the party conference — that does not, to your understanding, preclude the fact that, however that those people could vote in the elections, simply not in that political jurisdiction. Does that remain open in your mind?

MR. KELLY: Yes. We would argue that that issue remains open.

REP. TORRICELLI: But, as you would interpret what happened at

the party conference, that option still remains available?

MR. KELLY: Yes, because we take the government proposal of Ma**y** 14th, as the operative working premise.

REP. TORRICELLI: And the question that it must be free from violence when these elections would occur? That of course, does not

necessarily mean that it must be without incident, but it must be clear that any coordinated effort to disrupt life on the West Bank and in East Jerusalem has ended.

MR. KELLY: Well, we certainly would hope the violence would end as soon as possible.

REP. TORRICELLI: I know that, but I'm asking you to help interpret for me, what has happened at the party conference, and what extent it means that the original proposal remains alive? Now,

if in fact there is a commitment to continue settlements, but in substance settlements may not occur during this period anyway, there

is a decision that people will not be able to vote in East Jerusalem, but those same people can vote elsewhere; that there must, I think fairly, be a commitment that the elections and life on

the West Bank will not be disrupted during this period, but that does not mean that any incident by any individual will be interpreted that elections cannot occur. Then, in substance it would appear to me that there is no reason for us to dispair, that the original proposal cannot continue, or that a reasonable interpretations of even what happened at the Likud Party Conference must lead us to conclude that we have to abandon this approach.

MR. KELLY: No curtain has fallen on the May 14th proposal, on know. The last act has not been played — no.

REP. TORRICELLI: In all those reasonable interpretations of what happened at the party conference, in your miod, can indeed have

some substance to them? The reasonable inperpretations I've just tried to outline? So that there is not a reason to dispair at the moment and go to plan B here which --

MR. KELLY: We are not despairing. We are operating on the properties that the government's decision of May 14th is sill operational.?

REP. TORRICELLI: I understand that. Let me just, in the moment is a second issue. Could you outline for moment where the Iran-Iraq talks are at the moment?

MR. KELLY: There is intermittent contact, there is no progress. Both sides still argue about questions such as POWs, withdrawals, the guture status of tie Shatt-al-Arb.

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MR. KELLY: They are not meeting face to face, they are communicating through the United Nations.

REP. TORRICELLI: On a regular basis, or is it broken?

MR. KELLY: I don'o begin to address both the humanitarian and the geopolitical issues that are involved.

REP. TORRICELLI: Are both sides for the moment — it appears that neither is pushing the other to make any progress — are both for the moment content with the status quo?

MR. KELLY: I don't think they're content with the status quo because it still involves mobilization, troop presence and certain of the —

REP. TORRICELLI: But the concessions that would be required this point for either side to make progress are simply out of range?

MR. KELLY: I don't think they're out of range. For instance, we think that both sides ought to be able to dispose of the prisone

of war problem promptly, if there's good will there. They can exchange lists of who they have and begin the process of trading prisoners.

REP. TORRICELLI: Let me just --

MR. KELLY: But for one reason or another, neither side is willing to do that.

REP. TORRICELLI: Still on Iraq — Iran, then, for a moment, this latest exchange of good will and trade promises with the Soviets and the new Iranian government, does it have more substantian such promises and communications in the past? In your mind is this a real economic and political —

MR. KELLY: I think there's no doubt that this represents an increased economic trade relationship. What the full implications are are hard to judge. We don't know for instance whether this vague assertion that there is going to be defense cooperation means that new weapons systems are going to go to Iran, which we would oppose, or whether it's going to be spare parts or old things they? have. So there are a lot of unanswered questions.

REP. TORRICELLI: Thank you, Mr. Kelly.

REP. HAMILTON: Mr. Owens.

REP. WAYNE OWENS (D-UTAH): Mr. Secretary, welcome. I appreciate your testimony this morning. I apologize I was not here for the prepared statement, but I have glanced through it and would like to ask you a question. I hope I'm not repetitive. You say on page three that leaders of both sides face division within their own

communities. Under these circumstances, a high visibility initiative by an outside party cannot succeed. And you further elaborate on that on page four, when you say we are not trying to mediate between the PLO and Israel.

I'm a little surprised, because I thought that's exactly what we were trying to do, that we were trying to be of assistance to the two sides in coming together.

MR. KELLY: We are trying to be of assistance. The government of Israel doesn't want us to mediate with the PLO and in that sense we're not mediating. We're not carrying messages back and forth because the government of Israel doesn't communicate with the PLO, either through another route or through us. Now that's their sovereign decision and we respect that. We are talking to various people. They hear what we're saying when we make a comment to a

representative that we think that the plan endorsed by the Israeli government on the 14th of May makes good sense and offers some hope of progress, if that's what he's interested in, for Palestinians.

✓ guess one could split hairs and argue about whether that is intrinsically mediation or not. We're communicating a message, yes.

We're not actually carrying messages between the sides in that sense of being a mediator.

REP. OWENS: Is that the differentiation you would make between the role which Jimmy Carter played 12 years ago and your decision not to be more highly visible?

MR. KELLY: I think — I think President Carter's role was a bit different at Camp David, because, A, he had both parties there and they were willingly acknowledging his involvement as an intermediary, and the parties currently are not. The Government of Israel does not — has not asked us to mediate with the PLO.

REP. OWENS: And is that the reason that you are not saying, "Here is a moderate position, say, on elections"?

MR. KELLY: Well, we are saying that.

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REP. OWENS: And that suggests you come in --

MR. KELLY: But, you know, that's a judgment we've found on our own. We're not saying that in behalf of the Government of Israel.?

HEARING OF THE EUROPE & MIDDLE EAST SUBCMTE OF THE HOUSE FOREIGN AFFAIRS CMTE/RE: DEVELOPMENTS IN THE MIDDLE EAST/CHAIR: REP. LEE HAMILTON (D-IN)/WITNESS: JOHN KELLY, ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS/WEDNESDAY, JULY 12, 1989 F-3-6 page# 4

We are saying, "We have -- we think this is the way to go. We think

persuade your followers that the way to progress is by political 27 interaction, by discussion, by negotiation, and not by armed struggle or violence or terrorism."

REP. OWENS: So, is this statement that you're not mediating a distinction without a difference?

MR. KELLY: Is beauty in the eye of the beholder? I mean,

we're -- we're giving our opinion, we are not carrying -- it is important, in the sense that we are not carrying messages from the Government of Israel. They do not want us to carry messages from them to the PLO. They do not want to communicate through us. And we respect and honor their position. So, in that sense, the distinction is a valid one, I believe, Congressman.

REP. OWENS: Yet, an aide close to Prime Minister Shamir said last week that the all is now in the court of the United States to move this process along. He was referring, I think, specifically to

the problems between Labor and Likud in the coalition Government. What is your position? What is our position? What are we saying t $\pmb{o}$ 

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Labor? Is it as reported in the press, that we are strongly urging them not to leave the Government, not to break up the coalition?

MR. KELLY: They have to -- like all parties, they make their own decisions on what's best for their country and for their party.

REP. OWENS: Given the diplomatic niceties — we understand, of course — what is our position —

MR. KELLY: Well, we've said — we have said that we believe that the conditions adopted by the Likud Party conference don't advance the peace process. But we've also said that we believe that the legal Government decision of May 14th is still the operative basis on which to proceed and that is the basis on which we're operating in our conversations with either politicians in the state of Israel or in our conversations with European or Arab governments or the PLO.

REP. OWENS: What did the -- I think it was Yelsi Ben Aron as I

recall, who said that the future of the coalition government is now up to the United States and the Labor Party. What do you suppose

meant by that, and is that the role you see yourself playing?

MR. KELLY: Congressman, I really don't want to get into, you know, speculating about his meaning there. Obviously, in an intimate relationship as the United States and Israel have, we talk to a lot of their politicians, they talk to a lot of us and a lot is exchanged back and forth. But I really don't think it's up to us to try to stage manage domestic politics in Israel.

REP. OWENS: Do we have a position on whether Labor ought to stay?

MR. KELLY: No, we do not have a position on that, either for or against, and we're not going to.

REP. OWENS: Well, you're not advising them in any public form at all on that issue?

MR. KELLY: No, we're not going to have a public position on an issue like that. That is obviously up to the parties in Israel to sort out among themselves.

REP. OWENS: What about the judgments that you have made on whether the PLO is dealing in good faith on the emerging possibility

of an election process? What —— Abu Eyad has said that the PLO might accept less than total Israeli withdrawal before elections. Do you think that the PLO in these negotiations is acting in good faith? Is that an accurate statement of the PLO's position?

MR. KELLY: I don't know, Congressman, whether they're acting in good faith or not. Over time we're going to have to judge by their deeds what they do and the concrete results. And frankly, to me good faith is not an issue that I'm looking for every day. Obviously, one always wants to have good faith in a negotiation but you never or in a conversation — you never know whether you're going to get it. What you will know about is whether we get any results.

And what we are trying to do is to persuade them that there is a proposal on the table, put there by the government of Israel in its action of May 14th, which opens some potentialities, some doors

the way to progress for their people. And, my goodness, they shouldn't pass up the opportunity. You know, opportunity is there. It doesn't come always. Let us move the process forward. So that's

what we're trying to do. Whether they're operating in good faith don't know. But we will know whether or not they ever act on the proposals.

REP. OWENS: One very, very fast question --

REP. HAMILTON: Mr. Feighan.

REP. OWENS: -- which will come later -- (laughter) -- thank you.

REP. FEIGHAN: Thank you, Mr. Chairman. Mr. Ambassador, welcome to the Committee and congratulations on your assignment.

The decision late last year by Secretary Shultz to begin a dialogue with the PLO obviously was a very dramatic shift in American foreign policy in the region. And because it was so dramatic, it would seem to be a shift that would be very tightly managed and very closely watched. While that dialogue may be undertaken at some level in New York by Ambassador Pickering with the PLO representative there, and while there may be State Department officials meeting with PLO representatives who may come to Washington on occasion, is it correct — am I correct in

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understanding that the center of that dialogue is to be taking place in Tunisia, directed by Ambassador Pelletreau?

MR. KELLY: Pelletreau is the sole authorized representative. If I may, Congressman, you mentioned a contact in New York by Ambassador Pickering with the PLO. There was a contact but there's an important distinction here. Pickering was that month the president of the United Nations Security Council.

He met with the fellow — with the representative only in his international capacity. He opened the conversation by saying to th€

PLO rep, "I am not here as the American representative. I am here" — it was a ten minute conversation. It ended with a reaffirmation that this was in his international hat. It's a rotating job. Everybody has the duty once in awhile. So I wouldn't count that an American contact with the PLO. Pelletreau is the channel.

REP. FEIGHAN: I appreciate that clarification. The — because this was such a dramatic shift and because the potential for such dangerous and unintended consequences are very real, the management — the decisionmaking I assume is taking place at the very highest levels, particularly in terms of who Ambassador Pelletreau is authorized to meet with. Has he met with representatives of the PLO

other than executive committee members?

MR. KELLY: Of lower rank?

REP. FEIGHAN: Yes.

someone above the ambassador.

MR. KELLY: Yes.

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REP. FEIGHAN: So he is not restricted in those representations who he may meet with? Is that a fair conclusion?

Let me ask the question a different way, who is he authorized to meet with?

MR. KELLY: He's authorized to meet with the representatives of the PLO who — with whom we've been meeting since December and with members of the PLO executive committee.

REP. FEIGHAN: Now, when he meets with an individual as notorious as Abu Eyhad, someone who is reprehensible in his conduct as a EterroristF, that I assume requires specific authorization from

MR. KELLY: That's right. His contacts are authorized by Washington.

REP. FEIGHAN: Now, from whom would the authorization have come

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and met with responsible people and the Secretary of State and was authorized to meet with members of the PLO Executive Council.

REP. FEIGHAN: So, he has sort of a general authority to meet with members of the Executive Council. When he's planning that meeting, he doesn't have to contact your office or the Secretary's office and say, "Next Tuesday I'm going to meet with" --

MR. KELLY: He stays — he stays in very close contact, Congressman. And the impression I — I'm trying not to convey here is that Pelletreau is free-lancing in Tunis; he's not. He's not out

on -- you know, on a leash -- off the leash, making up his own script tjere.

REP. FEIGHAN: I don't know that --

MR. KELLY: What he's doing --

REP. FEIGHAN: -- I wouldn't prefer to think that that was the case.

MR. KELLY: No, I think, on a serious matter like this, it's something that the government ought to be responsible for.

REP. FEIGHAN: Ambassador, it's been reported that the PLO is seeking to elevate the level of the meetings, above Ambassador Pelletreau's rank, and, as well, to change the venue to either a? European capital or even to Washington. Is there any consideration being given to elevating the level of those discussions or to changing the location?

MR. KELLY: There is not current consideration to elevating the discussions. And let me be explicit on that. There have been a lot of newspaperstories that some American official, me or somebody else, is going to meet with Yasir Arafat. That is not planned. That's not in the works. And in terms of changing venue, no, we have no plans to change venue to Europe or Cairo or anywhere else. It's Tunis, and it's Pelletreau.

REP. FEIGHAN: And I assume that if there were — if consideration were being given to raise the level of the discussions

or to change the venue, there would be prior consultation with members of this Committee?

MR. KELLY: That would certainly be my intention, Congressman.

REP. FEIGHAN: I appreciate that. Let me, in my final moments,

if I could engage in a few questions regarding Lebanon, a topic that

you are thoroughly and painfully familiar with. The apparent failure of the Arab League to bring about a permanent cease-fire an⊲

now the increasing likelihood of the introduction of more sophisticated weaponry, and particularly missiles, would suggest

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role in the process. Is that your conclusion, and if so, how would you translate that into specific action?

MR. KELLY: Let me very quickly answer those points. Congressman. First of all, the Arab League effort is not dead. I understand the three ministers from the Arab League countries are in

Damascus, if not today, tomorrow, meeting again with the ESyriansF. It's an active process. Sure, the cease-fire needs to be implemented, the shelling has to stop. But there's origoing active diplomacy. Secondly, with the question of introduction of advanced weapons which you raised, missiles in Lebanon, specifically in the Christian enclave, we have no evidence that such missiles are in the

Christian enclave. And I believe that the risk of an introduction of those systems is diminished.

REF. HAMILTON: Mr. Ackerman.

REP. GARY ACKERMAN (D-NY): Thank you, Mr. Ambassador.

REP. HAMILTON: And then Mr. Engel after Mr. Ackerman.

REP. ACKERMAN: Thank you, Mr. Ambassador -- Mr. Chairman. Mr.

Ambassador, let me welcome you and get back to a question I understand was raised earlier and that is the bus incident. It's my

understanding that one of the three conditions that we had for opening the dialogue with the PLO was that they denounce terrorism. As a matter of fact, Ambassador Pelletreau received instructions stating, and I think I should read them directly, that the PLO "must"

not only end terrorism inside or ourside Israel, but must also be prepared to disassociate itself from terrorism by any Palestinian group anywhere. We expect that it not only condemn this action publicly, but also discipline those responsible for it, at least by expelling them from the PLO."

This taken in light of the fact that Mr. Arafat's spokesman, Basam Abu Sharif, stated on the radio, and I'll quote him, "This is not terrorism, the terrorists are Shamir and his government. Whoever defends his rights and resists occupation is not a terrorist." Are we playing a game of semantics? Will we say they

have to denounce terrorism -- renounce terrorism, where they commit acts, which are obviously in the minds of any right thinking person

a terrorist act, and they just redefine the word so that anything they do is not terrorism, and then we just continue the dialogue as if nothing happened?

MR. KELLY: No, I hope we're not playing a somantic game, Congressman. Pelletreau was instructed on Friday to try to bring u

short, Mr. Bassam Abu Sharef, and tell him we found that that commentary was unacceptable.

REP. ACKERMAN: To do what to him?

MR. KELLY: To tell him that we found that commentary unacceptable.

REP. ACKERMAN: To bring him up short?

MR. KELLY: I'm sorry, that's a slang expression I probably shouldn't have used.

REP. ACKERMAN: All right, but does that mean that we expect -

just from the language on the original instructions, it didn't say to "bring him up short," or anything like that. It says that we expect them to disassociate themselves from it, and to condemn it publicly, and to condemn anybody who participated in it, and to expel them from the PLO. Are our instructions, being that this has been flagrantly violated obviously, are our instructions to Mr. Pelletreau going to be to ask Mr. Arafat to condemn Mr. Sharef, to expel him from the PLO?

MR. KELLY: Mr. Sharef? Abu Sharef?

REP. ACKERMAN: Yeah.

MR. KELLY: In the sense -- no. We --

REP. ACKERMAN: He did not condemn this act.

MR. KELLY: I know.

REP. ACKERMAN: He obviously ---

MR. KELLY: Pelletreau told him that we thought he should condemn and denounce this act.

REP. ACKERMAN: Pardon?

MR. KELLY: And Pelletreau told Abu Sharef that the United? States beleives that he should condemn and denounce this act.

REP. ACKERMAN: And he, in fact, did that afterwards?

MR. KELLY: No.

REP. ACKERMAN: Well, what are we going to do about it?

MR. KELLY: We're going to keep attempting to persuade these people that the path to progress, that the objective, is to abandon violence, to abandon terrorism —

REP. ACKERMAN: If they violate the conditions upon which our exception to speaking with them exists upon, should we not stop talking to them? Or shall we encourage them to continue acts of terrorism, violence and murder by completely ignoring what our instructions were?

MR. KELLY: We certainly are attempting to discourage them from that sort of conduct, from endorsing that kind of terrorism and for moving at all in that direction. We're trying to shift the way of operating into constructive political exchanges and away from this whole --

REP. ACKERMAN: Is this constructive engagement?

MR. KELLY: I'm sorry?

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REP. ACKERMAN: Is this constructive engagement?

MR. KELLY: Not in the sense that it's been used with -- in the southern Africa context, no.

REF. ACKERMAN: But why don't we — if they have violated the conditions of the talks, why are we still talking?

MR. KELLY: We are attempting to persuade them that there is

the table, Congressman, a May 14 proposal by the government of Israel which offers the prospect of progress for the Palestinians. And we're trying to get the Palestinians within the Territories to agree to discussions with the government of Israel. And, as a New York Times editorial has put it last week, the role of the US is to persuade the PLO to change its tactics. We're trying to persuade them and we're trying — and to do that means having contact with them to persuade them that the policy they've followed for the last 25 years is a bankrupt one.

REP. ACKERMAN: Are you saying that the fact that we have agreed to sit down and talk with them, and have indeed done so with conditionality, that they can then violate the conditionality with impunity and we will continue to talk to them? Does that not give them license to continue on their merry way, after it takes us one full week to very weakly, at a very low level, make the kind of condemnation that we did yesterday? ourselves? Is this not encouragement to them that nothing is going to happen, they can get away, literally, with murder?

MR. KELLY: We certainly hope not, Congressman. That is not -

REP. ACKERMAN: Well --

MR. KELLY: -- our objective.

REP. ACKERMAN: — where is our — where is our big stick? Isn't our big stick that we're going to talk to them or not talk to them?

MR. KELLY: We believe that it is worthwhile to try to persuad

them to go along with the proposal by the Government of Israel for negotiations between Palestinians in the Terroritories and elections, and we believe that to persuade necessitates some contact.

REF. ACKERMAN: It seems to me you've given up your entire leverage, you've given up your entire principles upon which the discussions were based, and you've given license and encouragement to the continued commission of terrorist acts which you've put no skids on whatsoever.

REP. HAMILTON: Mr. Engel.

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REP. ENGEL (D-NY): Thank you, Mr. Chairman. Mr. Secretary, it's good to see you. I want to, first of all, identify with some of the remarks made by my colleagues, particularly the remarks made by Mr. Levine about the mixed signals that the administration seems to be sending out. It's very disturbing and I think it's been a pattern in the six months that we've seen Mr. Baker and some of the other administration officials saying certain things. It seems to me it's been wholly designed to put public pressure on the state of Israel, and that's always where it seems to lead. And I think it's very unfair and doesn't help the peace process.

And I want to just agree with Mr. Levine that I think that these types of actions undermine Shamir and I think led to him bein

perhaps boxed into a corner to take some of those positions that he

se want to take in his coalition. When there's talk about meeting talk of international conferences, when there's talk about meeting with the PLO and doing all these things, I just think it's very unhelpful publicly to strengthen Mr. Shamir against his ultra right wing. And I really am very, very upset and disturbed about that.

The whole question of the international conference, now I heard

you say — and please correct me if I'm wrong — that the international conference is not really on the table so long as the election proposals are on the table. Secretary Baker made a similar

remark several months ago.

Doesn't that send a signal to some of the more intransigent

Palestinians, saying that "Hey, you know we can scuttle the election"

proposal and just drag it along and drag it along, and ultimately if it flops, the Americans will back us on an international conference"?

MR. KELLY: No, absolutely not, Congressman. We have not said to anybody, and I certainly hope we haven't implied to anybody that all they need to do is sit tight and refuse the proposal for contacts between Palestinians in the Territories and the government of Israel and the election plan, and sooner or later, somebody's going to deliver to them the international conference. That's not our intent. We've conveyed that same message not just to the Palestinians but to the Europeans and to the Soviets, too, so that — you know — a waiting game in that sense is not going to pay off for them.

REP. ENGEL: Because Secretary Baker did make similar remarks several months ago, saying ultimately if all these things failed, the Israelis would have to perhaps sit down with the PLO at a conference. And I just think again that remarks such as those are just totally off base and unhelpful, and I said the same thing to the Secretary when he appeared before our whole committee.

I want to follow a point that Mr. Ackerman was making before, and it's in your prepared remarks, where you said the PLO has finally accepted UN Security Council Resolutions 242 and 338 and Israel's right to exist. And I would respectfully say — I think perhaps they've accepted it in words only, not in deeds. And I'm a big believer in that actions speak louder than words, to coin an old

cliche.

The PLO covenant still declaring the destruction of the state of Israel as an avowed goal of the PLO remains in place. Mr. Arafa

has not moved to remove that covenant; there's been no renunciation of terrorism; there have been many, many terrorist attacks by the PLO against the state of Israel since the PLO purportedly renounced terrorism. And yet, it seems to continue with impunity, with no renunciation, and I think that the point made before by my colleagu (

is very, very well taken. How long will we allow the PLO to say one

thing and do another and not get touch with them?

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MR. KELLEY: Congressman, I think this gets back to a question that one of your distinguished colleagues raised about "Are they operating in good faith?" And I said I don't know. And that's not really the standard to measure them by. The standard is going to be results. As you say

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actions speak louder than words. You talked about the PLO Covenant.

I decided, in préparing myself for this meeting yesterday, I was trying to study a lot of things. And one of the things I did was go

back and read the document yesterday, because you know, the last time I read it was many years ago. And it really is an outrageous document, and it really is, you know, something that is so irrelevant to the process that we're engaged in pushing, that by all

means, yes, they ought to condemn it, and get rid of it, and forget it. Null and void isn't good enough. They ought to consciously do something about that document, and you're right. Actions will be needed. This is not a dialogue of infinite duration. On the same token, you know, I don't think we're in a position to put a date certain where the cut off point comes, but actions obviously have to

be forthcoming. It is not an indefinite dialogue.

REP. ENGEL: Well, I'm glad to hear you say that, because I think that we again convey the wrong message. I wanted to also follow up on something that Mr. Owens asked. He mentioned whether or not our government was encouraging the Labor Party to stay in the

coalition, and I think you said, "No, that we're not encouraging one

way or another." Does that mean that the newspaper accounts that we've all been reading are inaccurate?

MR. KELLY: I think that as a government we must avoid involvement in the internal politics of Israel. In a relationship, as a New York Times writer put it today, "As intimate as that between US and Israel, there are a lot of conversations among a lot of people." But we, as a government, have got to stay out of getting involved in domestic politics there.

REP. HAMILTON: The subcommittee will begin a second round of questioning.

Mr. Secretary, I wanted to clarify one point in response to questions recently asked you. Are you saying that the PLO has violated the conditions of the agreement that we had with the PLO when we began the so-called "substantive dialogue?"

MR. KELLY: Mr. Chairman, I'm not sure I would call it an agreement, but you know, we all saw Arafat on television —

REP. HAMILTON: Well, have those conditions been violated? We entered into discussions with the PLO when we said that the PLO had fulfilled certain conditions. And in answering some of the previous

questions, I got the impression that it was your view that the PLO has in fact violated now some of those conditions since that dialogue began.

MR. KELLY: Not in the sense that we have not found the PLO directly involved in cross-border terrorist raids or things like?

REP. HAMILTON: Do we have any evidence of the PLO involvement in any of the terrorist actions that have occured inside Israel?

MR. KELLY: No, none that I know of, sir.

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REF. HAMILTON: All right. Now, I want to try to get your sense of how actively the United States should be involved in trying

to further the peace process through the elections. When I talked with you earlier, you indicated, for example, you did not think it was the role of the United States to bring forward names — Palestinians in the dialogue. Do you see, for example, the role of the United States in trying to provide suggestions to narrow the gaf

between the Israelis and the Palestinians on the election proposal? Is that an appropriate role for the United States?

MR. KELLY: We want to be helpful, Congressman --

REP. HAMILTON: Well, in being helpful, does that mean we're going to provide suggestions as to how the gap can be narrowed?

MR. KELLY: Certainly, yes. From time to time we will make suggestions about how we think the gap can be narrowed.

REP. HAMILTON: One of the questions is whether or not the PLO will agree to meetings between Palestinian representatives in the Israeli government on the modalities of the election. Is it your sense that the PLO can accept such talks?

MR. KELLY: Not at present, no. sir.

REP. HAMILTON: The PLO has mentioned the possibility of using two American citizens in such talks. What is your position and what

is the Israeli position on the involvement of Palestinian America in these talks?

MR. KELLY: There's an interesting point, if you'll permit me there. We read an interview in the Financial Times of London by Yassir Arafat in which he talked about the potential involvement of two American citizens in a dialogue. We have not heard anything like that through our contacts with the PLO, in other words, our conversations with Pelletreau. I think that what we are witnessing there, Congressman, is the fact that for a couple of decades the PLO

sent signals or attempted to convey messages or signals through newspaper interviews, through visiting professors, through a myriad of different people who bumped into them from time to time.

REP. HAMILTON: Okay, let me --

MR. KELLY: I don't think the organization has quite gotten

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accustomed to the fact that it's talking to the United States government, and if it wants to say something, it can say it.

REP. HAMILTON: I have seen report after report about indirect Israeli-PLO talks, secret talks through the Moroccans, indirect talks through US, EEgyptianF and West Bank Palestinians. European diplomats are saying the Israel-PLO channel, and I'm quoting him now, "is becoming very clear and very substantive," end of quote. Finance Minister Peres has acknowledged that an official dialogue with the PLO is now going on between the Israelis and the PLO. And the question on my mind, I guess, is do we have any knowledge of that? Are those reports accurate? What do you know about it?

MR. KELLY: Congressman, I think it's an exaggeration for any press report to say an official dialogue is going on between the Israeli government and the PLO. I don't think that's reality. There's a lot of press reporting about it —

REP. HAMILTON: The quote was from Finance Minister Peres and he said that an official dialogue with the PLO is "taking shape," those are his words.

MR. KELLY: Oh, taking shape, I'm sorry, I understood you to say "taking place." I don't know of any official dialogue that's taking place. There are reports both in the press and in classifie.

reporting about contacts. I'd been happy to go in the latter with you in a closed session.

REP. HAMILTON: Well, I would like to pursue that certainly with you. Now, I want to ask also with regard to the PLO dialogue, what have we accomplished so far in this PLO dialogue?

MR. KELLY: I think --

REP. HAMILTON: Has there — can you point to any change in PLC policy due directly, for example, to the US-PLO talks?

MR. KELLY: I can't point to any explicit change in PLO policit change in PLO policit change in PLO policit change.

REP. HAMILTON: You think -- you continue to think they enhance our interests in the region and promote the search for peace do you

MR. KELLY: That they do, sir?

REP. HAMILTON: The talks do.

MR. KELLY: The talks, yes I do. I believe that they help fulfill our objectives.

REP. HAMILTON: Do we now recognize the PLO?

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MR. KELLY: As a government, no sir. And we have actively opposed the attempt by the PLO to be treated and accredited as a state in international organizations.?

REP. HAMILTON: What about this phrase "substantive dialogue"? What does that really include? What does it mean? It does not mean negotiations.

MR. KELLY: It does not mean negotiations. I think to put it in common terms, it means to talk turkey, to talk seriously with people.

REP. HAMILTON: Does it mean that US officials can have conversations with PLO people when they meet them around the world?

REP. FEIGHAN: Not around the world. The only channel is Pelletreau in Tunis.

REP. HAMILTON: What distinction do you make between "substantive dialogue" on the one hand and "negotiating" on the other?

MR. KELLY: Negotiating, I think, is an effort to agree to formal positions which will be mutually agreed at some point in time.

And that is not our effort with the PLO. Our effort is to persuade them to go along with the Israeli proposal that there would be contacts between Palestinians and the government of Israel.

REP. HAMILTON: Now, how many times have we met with the PLO i

MR. KELLY: I don't have the number at my fingertips, sir.

REP. HAMILTON: Have we met -- we draw a distinction of some kind. We have formal meetings --

MR. KELLY: We do. We've had three formal meetings, the last of which was June 8th.

REP. HAMILTON: Does Mr. Pelletreau meet with the PLO official informally on a regular basis?

MR. KELLY: Informally -- not on a scheduled basis. There probably have been -- oh, I don't know -- a dozen, 18 meetings in six months.

REP. HAMILTON: All right. Mr. Smith.

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REP. SMITH: Thank you, Mr. Chairman.

Mr. Kelly, let me take us from where we are today since we've discussed that in a, I think, a fairly significant way — but where we're going to be tomorrow, and the Chairman's talked about it. Yo

said that the State Department is interested in results; the administration is interested in results. We started to talk with the FLO in December. I've indicated that there have been an increase in the number of EterroristF attacks — severity and incidence. You've said that while there have been, and significant terrorist attacks, you have not been able to link the PLO general command — Arafat or the others underneath — with those attacks.

I believe, of course, that anybody who would be doing that on the other side and then take credit for it would be kind of dumb. All they have to do is do it, and if they don't take credit for it and the people that are doing them can't be directly linked, they can do anything they damned please because, as you've testified apparently, we're not going to hold against them their prior record

It has been indicated by people in the State Department that t some degree the PLO started with a clean slate after December's Arafat statement. Now, if that's the case — if all of this is given, and you've testified to most of this — if that's the case,

informally, Pelletreau has in fact broadened his contacts with them

both formally and informally.

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MR. KELLY: Excuse me, sir, not formally. In the formal sessions, they're the same as we started with in December.

REP. SMITH: Well, he didn't meet with Mr. Khalaf, and I doubt very seriously whether he was going to -- until just a few weeks ago, June 8th.

The bottom line, however, is we've gone through this exercise for six months. I'd like you to tell me, today, after this six-month period or longer, whether the PLO has taken any single step closer to peace; has endorsed any proposal whatsoever, either thrown out -- I'm sorry, that's the wrong word -- either offered up

by the United States or by the Israelis — and, of course, the new proposal which was in May by Mr. Shamir — whether any — any of those or any other tangible, observable, objectively capable, for recording purposes, significant progress has been made through thes

talks? If "yes," I'd like to hear about it. If none, I'd like you to tell me how long we're going to go through this process.

Mr. Engel I believe is correct: If they do nothing and we kee talking and we keep closing our eyes -- there i

the text -- at some point we're going to get disgusted with no progress being made and just say to ourselves, I believe, "Well, this proposal is a dead issue. Let's go on to the next one." And the only one that we have at this moment is the multinational conference.

So, would you indicate for the Committee how much, if any, progress has been made, what tangible, identifiable progress can be recorded. And if there hasn't been any, how long the State Department intends to stay at this before either we will break off talks with the PLO because they haven't moved at all or we'll try t

bludgeon Israel into moving further from its own particular stand at this time?

MR. KELLY: Congressman, there is no tangible progress that I can point to. It's an effort at persuasion. It's obviously tough. We're trying to get these people to abandon the ideas that they hav

held for 25 or 30 years or longer. I don't know how long that's going to take. I do know this is not an unlimited dialogue, where they sit and stonewall. I do think there's one interesting phenomena (sic) in the area, which I hope the PLO is part of, and that is the fact that the subjects of dialogue have changed a lot in the last decade or two. When I first had my first exposure to the Middle East about 25 year

ago, all one ever heard from any Arab government, or Arab, was how they were going to go about driving Israel into the sea. Now, Arab governments, and Arabs, and Falestinians argue among themselves and with others about whether or not the election proposal is a

profitable way, a rewarding way for Palestinians to advance their cause. I would certainly argue, and I would think you would agree, that, at least in the crude sense, the terms of the dialogue, or the

discussion, have changed for the better. That doesn't mean anybody's home free yet.

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REP. SMITH: I understand, and I appreciate the significance o

that. The difference is what has happened in the last six months since the United States has entered into what is in fact a new course, which for us was a change of 20 years worth of policy — 15 years worth of policy at least, maybe 20. What are we getting for it now? Now that Israel has offered up a unique plan, which people said it wouldn't have done six or eight months ago, where has anybody else moved in the process, if we're so intent on helping — although we're not negotiating, we're not bringing messages back an

forth, we're there trying to convince people? What have we convinced the PLO of?

MR. KELLY: There is nothing we can hold up and hand out, but we think it is a worthwhile objective, Congressman.

REP. SMITH: And how long do we think we're going to stay in that mode? Do we have --

MR. KELLY: That's a tough one to answer. I mean even if we had it fixed in our mind, I'm not sure it'd be prudent to say it publicly.

REP. SMITH: Would we be ready to affix blame for the failure to move forward at some point in time, if in fact the PLO does not change its position at all?

MR. KELLY: Absolutely, Congressman.

REP. SMITH: So, we can count on you at some point if that happens, and nobody wants to see it happen, but if it happens --

MR. KELLY: We want to see progress, but obviously --

REP. SMITH: -- we can count on you to be back here blaming the PLO for not moving.

MR. KELLY: This is not an open ended dialogue with an unlimited calender.

REP. HAMILTON: Mr. Levine.

REP. SMITH: Than you very much.

REP. LEVINE: Thank you, Mr. Chairman. Again, Mr. Secretary, am heartened by your testimony today, it is helpful, and I will jus mention again that I hope that it is a consistent message of the State Department.

On this issue of the dialogue that so many of my colleagues have been raising: As you may know it was I who introduced the language that was ultimately the basis for the statutory conditions

that the PLO had to meet in order for the dialogue to begin, first in 1983 and again in '84 and again in '85 when it became permanent law. And even though it was my language and my legislation, when Secretary Shultz called and other people in the Department called and indicated that they intended, I might emphasize in the context of some consultations with the Congress, to open a dialogue, I and other people on this committee who have been skeptical from where the PLO comes on this issue, supported the opening of that dialogue

We did not stand up and criticize it. We said that we thought that

given the Secretary's track record on this issue, it was something if he believed it was worth trying that we should try. And he received and maintained consistent congressional support for his efforts.

Now, as you heard, particulary I think of the very eloquent question of Mr. Ackerman, who appropriately referred back to the specific language from the State Department at the time of the beginning of the dialogue, that our State Department spelled out a course of conduct that they expected the PLO to meet. It was not met. In fact, to the contrary, it has been — in terms of the expectation of the condemnation of terrorist activity, it has been very explicitly not been met, and yet we not only continue the dialogue but we elevate it in terms of dealing with known terrorists.

And I would just say for the record at this point in time tha

the sad fact is, Mr. Secretary, you guys look like you're being taken. You look like we're doing all the giving and doing none of the getting, that the PLO can change the terms, change the conditions

we go along, and I am pleased and relieved for the first time to hear that you indicate that this is not an indefinite dialogue, a I hope that the interlocutors with whom you're involved understand that you do have people on the Hill that are looking very criticall

and very carefully at this point, at the track record, which appear

thus far to be all giving on our part and no getting. And I say that for the record, because I think it's important that you take that back in whatever context and method you have to inject it into the process.

I was a little -- yeah, go ahead.

MR. KELLY: May I say, Congressman -- may I respectfully disagree? I don't think it's been all giving and no getting. I think our --

REP. LEVINE: Well, what have we --

MR. KELLY: I think our successful --

REP. LEVINE: What have we gotten?

MR. KELLY: -- effort to keep the PLO out of the World Health Organization speaks for itself.

REP. LEVINE: Can I just stop you at that point? Why did the PLO even continue to pursue it? We're supposed to be getting something from the PLO dialogue. We had to get something there by going to the international community. We didn't get that from the PLO. We got that from other people in the world. What have we gotten from the PLO?

MR. KELLY: In terms of tangible things that we can point to?

REP. LEVINE: Yes.

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MR. KELLY: Nothing.

REP. LEVINE: Well, that's just my point. I'm glad to hear yo think we're getting something, but in the next sentence you tell me we're getting nothing from the PLO. I guess we're getting somethin from others. What have we gotten from the P-L-O?

MR. KELLY: We are trying to persuade them, Congressman, that there is a better course for them to try to help their people than the empty path that they have been treading for, lo, these decades.

REP. LEVINE: Mr. Secretary, that is why we have supported you when you initiated the dialogue, but we are becoming increasingly? skeptical that it's yielding results.

I must say that I was unhappy to hear your testimony that the press reports with regard to our encouraging Labor to stay in the coalition are inaccurate. I was relieved to hear that we were sending somebody to encourage Labor to stay in the dialogue. I think that would have been a constructive activity. For the record

I just want you to know my views on that.

Let me just ask one other question, and it's about Lebanon. am deeply saddened, bs I think members on both sides of the aisle are across the board, with regard to what's happening on the ground in ELebanonF.

I'm also frustrated by what appears to be the deafening silenc

from our administration with regard to Lebanon. We say a heck of a lot less about the tragic death and devastation of Lebanon than we say about the most subtle aspect of a change in policy with regard to Israel. Lebanon is one of the most tragic, sad crises on the globe, which I know you are very well aware of —— perhaps better than any of us are. What can we do, and why can't we be louder and more visible and more aggressive, in terms of at least staking out

position with regard to Lebanon. It seems that we've abandoned tha

poor, struggling, suffering country, and left it to the cruelest possible fate.

MR. KELLY: Congressman, let me make two points. One, in one way or another, we say something about Lebanon two or three times every week, and most of it doesn't get reported. I mean, obviously

there are things that, in terms of abandoning Lebanon, or turn — turn our back — well, I'll give you an example, if you'll forgive me a personal one. At my confirmation hearing before the Senate Foreign Relations Committee, I was asked a similar question. In response to the question, I said it would be ignoble of the United States to turn its back on Lebanon, to let that country bleed to death unnoticed and unmourned, and that we needed to work with our international partners to try to bring this war to an end.

I felt that statement very, very deeply from within my own — my own being. I mean, it's the kind of statement that a government official can make, and I'm trying to back that up with a little activity, since I've got an office that has something to bring to bear. It doesn't get any notire. It gets a little notice here and there among people who watch very closely, but it's just not a — it's — the bad news that's on the front page every day is the violations of the ceasefire and so on. We are working, we are active, we have talked to the Europeans about it, we've talked to a lot of Arab governments, we've talked to the Soviets about it. We are trying to bring peace to that country, and perhaps a lot of it is unnoticed activity.

REP. LEVINE: You will get extensive support in this Committee and the Congress in those efforts. We commend you for them. Thank you.?

MR. KELLY: Thank you, Congressman.

REP. HAMILTON: Mr. Torricelli.

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REP. TORRICELLI: Thank you, Mr. Chairman. Mr. Kelly, could you state for me the status of our offer to give compensation to th victims of Iran Air 655, please?

MR. KELLY: This is being handled by our lawyers, so I'm not your best witness on the case. But my understanding is that we are about ready, if we have not already done so, to communicate a compensation offer to the governments other than that of EIranF, wh

had passangers on the aircraft.

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REP. TORRICELLI: So, the decision then — that was going to be my next question — the decision has been made to approach governments of third nations and simply hold in abeyance the offer with Iran?

MR. KELLY: Again, I'm not your best witness, but my understanding is that the plan is to deal with third governments an

to attempt to deal then with non-governmental organizations such as the International Red Cross with regards to the victims in Iran.

REP. TORRICELLI: But to your knowledge, either communication with the Iranian government or families within Iran at the moment i not occurring.

MR. KELLY: That's my understanding. I think we made some efforts through international organizations, I believe that the efforts were unavailing because, I think, the government of Iran interposed itself into the process.

REP. TORRICELLI: To your knowledge, are there law suits filed against the United States government now by families of victims?

MR. KELLY: I honestly don't know the answer to that, Congressman.

REP. TORRICELLI: And has a judgment been made whether to accept the jursidiction of the World Court in the event that such suits are filed?

MR. KELLY: I know that's been under consideration, if I may submit the answers for the record.

REP. TORRICELLI: But there is not a judgment on it. Could yo

then -- what you do know about the status of compensation from the ElraqiF government on the Stark incident? Do you know the answer to that question?

MR. KELLY: There has been a transfer of the funds from the government of Iraq to compensate the victims of the American? servicemen who died --

REP. TORRICELLI: To the families?

MR. KELLY: Sorry?

REP. TORRICELLI: To the families.

MR. KELLY: To the families, yes.

REP. TORRICELLI: But to the United States government?

MR. KELLY: That I do not know, sir. I can check and supply i for the record.

REP. TORRICELLI: It's my understanding first that the costs finally are bringing the Stark back to service — there's some \$820 million. If you could verify whether indeed that is an accurate cost, and second compare what has been provided from the Iraqi government against that number, if you would.

MR. KELLY: I'll be happy to supply that for the record, Congressman.

REP. TORRICELLI: Third, King Fahd's visit to Washington. Should we be expecting, without me asking you today for details, announcements on any arms sales?

MR. KELLY: The administration has been considering the matter of arms sales. There is no current intention to announce any arms sales during the King's visit. Indeed, if there is a subsequent decision, there will have to be obviously pre-consultation with members of the Congress, as well as the 20 and 30 day notification periods.

REP. TORRICELLI: From the perspective of this moment, you, based on your own consultations with the administration, do not expect an announcement during this visit?

MR. KELLY: I do not, no, sir.

REP. TORRICELLI: Two issues with regard to the sale of Main Battle Tanks. I have read that the EKuwaitisF have decided not to purchase an American tank, but might be interested in a Yugoslavian

If you would respond to that and the status of the on-again/off-ag discussions with the Saudi Arabia with regards to the M-1 tank.

MR. KELLY: Th Kuwaiti government announced publicly, I beleiv around the last days of June, that it had decided to procure a tank Yugoslavia. We have discussed that with the Kuwaiti government and have confirmed that to us.

REP. TORRICELLI: To the extent that they are precluding the

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MR. KELLY: I'm not -- I do not know whether the door is totally closed, but a decision has been made by the Kuwaitis to procure tanks from Yugoslavia, yes.

With regard to a tank sale to Saudi Arabia, that would fall in the realm of things that might be considered for announcement durin

the King's visit in the last week of July. There are no -- there's no intentions to make any announcement on that now. It remains a possibility. There have been no decisions.

REP. TORRICELLI: Well, simply to state this one member's opinion, but time and again when we are asked by our friends in the region to sell items which we consider potentially to be contrary t

the security interests of the United States or our friends in the region, we often do so in any case because of the needs of various Arab states. In this one instance, Kuwait could have purchased fro

the United States something that probably not only that met its needs but had some advantages for the United States, and did not pose, in my judgment, serious security problems for our friends or for ourselves. They did not do so.

In my judgment, that reflects poorly upon the Kuwaiti government. It reflects poorly upon future requests to purchase things in the United States that might be more questionable. I'm disappointed they made the decision.

Thank you, Mr. Chairman.

REP. HAMILTON: Mr. Ackerman.

REP. ACKERMAN: Thank you, MR. Chairman. I must say that I'm

little bit disillusioned with the actions that our State Department has taken with regard to the PLO, and I'm a little bit disappointed with some of the responses that I've heard here today. Maybe we could clear it up. Before you were asked "do we recognize the PLO?" and you said "not as a government."

But what we have done in sitting down and talking to the PLO is we have given them a legitimacy, a credibility that heretofore they have not had. And then we had set conditions for sitting down and giving them that kind of recognition, conditions that I read to you which were very, very explicit to Ambassador Pelletreau having to d

with the condemnation of violence and the expulsion from the PLO of anybody who participates in it. And then we went ahead and we knowingly or unknowingly, giving the benefit of the doubt, ignored those conditions, giving complete legitimacy to the PLO claim that those are not acts of terrorism, although they're callous and wanto

acts of bloody -- cold blooded murder.

The Chairman very appropriately asked you if the PLO has violated the conditions of our talks. And you said you did not believe so because there was no cross border terrorism. Conditions

have nothing to do with cross border terrorism. That's only a part of it. And in further answering, you said you were unaware of any acts of PLO terrorism. Let me just cite a few things to you if I might. There are a couple, more than two, and perhaps you can respond to them separately.

On December 26, 1988, four gunman from the Popular Struggle Front tried to infiltrate Israel by sea but their rubber dinghy capsized off the Lebanese coast. That's cross border. Number two, on December 28th, three gunmen from the Palestinian Liberation Fron

were killed by Israeli soldiers while they were cutting a hole in the Israeli-Lebanon border fence near Kibbutz Manara -- that's cross border.

Number three, on February 5th of 1989, five gunmen from the Popular Front for the Liberaton of Palestine, and one from the PLF, were killed by Israeli troops inside the security zone in southern Lebanon. The PFLP leader, George Habash declared that the PFLP, quote, "will not only keep up the armed struggle, but will also escalate it, and diversify its forms and methods."

Number four, on February 23rd, three gunmen from the Democrati

Front for the Liberation of Palestine were killed by the Southern Lebanon Army, in southern Lebanon. Documents found on the terrorists indicated their intention to attack the civilian settlement in Zarit, in northern Israel. In keeping with historic policy, the DFLP claimed to have successfully reached Zarit. Radio Voice of the Mountain, from Lebanon reported that, quote, "The DFLP announced this afternoon that one of its groups had attacked an Israeli enemy patrol at the Zarit settlement road junction.

Number five, on March 2nd, 1989, four gunmen from the DFLP wer

killed by Israeli troops in Southern Lebanon. Again, the DFLP claimed to have actually infiltrated the Zarit settlement. The manifesto found among the documents on the bodies of the slain terrorists was addressed to the settlers of Zarit, as well as the soldiers and the officers of the Israeli army.

Number six, on March 13th, 1989, three gunmen from the PLF wer

killed by Israeli troops less than a mile from Lebanon-Israeli border. Again, the PLO group claimed to have actually infiltrated Israel. Quote: "In the statement issued yesterday, the Palestinia

Liberation Front said that one of its groups managed at 0100 to broach the wire border fence and went deep in the direction of al-Manara settlement." This from Palestinian radio.

Number seven, April 8th of this year, gunmen from the PSF drowned in the north of Darosha-Hanikra (ph) border between Lebanon and Israel when their rubber dingy was shot and sunk by an Israeli? patrol vessel. A PSF spokesman claimed responsibility and said the attack had been claimed on a Israeli town.

Those are just seven cross-border incidents that I would like

you to be aware of that obviously violate even the narrow interpretation that it has to be cross-border terrorism that was se

as a conditionality for our talks. But certainly it's not just cross-border, but our conditionality was all forms of terrorism had to be denounced, and those who committed it and the groups that committed it had to be expelled.

More recently, on June 4th, the PLO's DFLP faction led by Naif Hawatmeh — I'm sure I mispronounced his name and did him great disservice — attempted to carry out a terrorist infiltration of Israel's northern border. This was the third such DFLP attempt and the ninth carried out by a mainstream PLO faction. The three-man terror squad on its way to take civilian hostages in the Israeli kibbutz of Misgaz Am was intercepted while trying to break through the border fence. The terrorists, two Palestinians and one Kuwaiti

were killed. An Israeli Bedouin soldier died in the clash. The Gulf News Agency carried out the following report from a press conference with Yassir Arafat in Kuwait two days later. Quote: "The PLO chairman praised the participation of Kuwaiti martyr Faw Abal Rasul in Sunday's commando raid on Israeli targets in occupied Palestine saying, 'Fawzi's blood has mixed with that of the two Palestinian martyrs who died with him in the operation."

Secondly, at the same time, the Kuwait press conference, Yassir Arafat also stated — this, on June 6th — "the PLO will not stop the armed struggle. I did not ask anybody to refrain from military operations."

And three, on May 3rd, 1989, the Palestinian terrorists stabbe

two elderly Israeli Jews to death and wounded three others in Jerusalem. Later that day, PLO leader Yassir Arafat was asked in a

interview on the Arab language radio Monte Carlo if he viewed the incident as part of the legitimate Palestinian uprising. Arafat stated, "Certainly. The Palestinian people is acting in self-defense. We will continue the uprising with renewed determination. The uprising will continue wave after wave until

Palestinian flag is hoisted over Jerusalem, the capital of the Palestinian state."

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And finally, four, on May 18th, three members of a Palestinian organization called the Assault Group, which was wanted for carryin

out terrorist attacks against fellow Arabs opened fire with automatic rifles and grenades at an Israeli patrol in Beit Ulat (sp?) near Hebron. One Israeli was killed and another critically wounded. The three terrorists were killed in the ensuing gunfight. When asked for a reaction to the incident, Abu Eyhad, second in command to Arafat in the PLO hierarchy told Kuwait News Services on May 20th, quote, "It is the right of the Palestinian people to defend itself by every means. The Beit Ulat operation was in the context of self-defense, especially since there has been no? renouncement of the principle of the armed struggle. On the contrary, we declared that the armed struggle will continue until the enemy will obey and abandon his haughtiness."

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certainly this is but a piece of the terrorist activities and the murder and the attempted terrorism as well as actual terrorism that's taken place, what's our response?

MR. KELLY: Congressman, first of all, I was indeed aware of those incidents. Having lived in Lebanon, I know that there are a lot of different Palestinian gangs that operate in that country. I know that many of them are capable and do mount operations that are not at the behest of the leadership of the PLO. I know that some of

those organizations are actively opposed to Arafat and what he stands for and believe that his endorsement of 242 and 338 was an error and would like nothing better than to put him into what they believe would be a difficult position.

REP. ACKERMAN: Ambassador, understanding that, there are some groups within the contexts that I just read that are opposed to Arafat and would like to do him whatever disservice they may, but certainly within those 11 that I cited, there are quite a few mainstream organizations, including Mr. Arafat himself, including his second in command, including his spokespersons — does not my reading and understanding of what seems to be common language instructions to Ambassador Pelletreau that people who engage, participate and yet do not even denounce these acts be condemned by the PLO and be expelled from the PLO? Doesn't this fly

in the face of the conditions that we've set? Have they not violated those conditions and do we not continue to sit patiently with these murderers, pretending that their activities are not continuing?

MR. KELLY: The activities that you decribed happened, absolutely, Congressman.

REP. ACKERMAN: And is that not contrary to the conditions the we set?

MR. KELLY: We do not believe that these were the directed operations of the PLO high command.

REP. ACKERMAN: Have they been denounced by the PLO? Have any of those — any one — pick one. I gave you 11, pick one. Which one has been denounced by the PLO in conjunction with the terms of the conditionality of our talks? One out of 11. Not one?

MR. KELLY: I do not believe so, no.

REP. HAMILTON: Mr. Engel.

REP. ACKERMAN: Thank you.

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REP. ENGEL: Okay. Thank you, Mr. Chairman. Many people have said factions of the PLO, that it's not al Fatah which is Yassir Arafat's faction, but it's other factions. You referred to them, Mr. Ambassador, as "gangs." I think the very important point that Mr. Ackerman is making and that I would like to make is Mr. Arafat has not condemned any of them. Mr. Arafat's group has not condemned

any of these attacks. And if Mr. Arafat purports to be the leader of the whole PLO, not just the Fatah faction, then he ought to be taking a very active role in condemning these terrorist acts. And if he is not speaking for the whole PLO, then why are we sitting down and talking to him?

MR. KELLY: Well, we're not talking to him, we're talking to his lieutenants and we're telling them that they ought to be condemning and they ought to be getting out of this operating mode.

REP. ENGEL: But it goes back to how long are we going to say that without any kind of action on their part. I think that you've witnessed today the frustration of many of us in the United States Congress that we continue to talk to them and we really don't see, other than a few words which are meaningless, we really don't see? any change in their actions.

Mr. Ambassador, what have we done to try to get our European allies or the Saudis, Mr. Mubarak, actively involved in trying to promote the election plan, Mr. Shamir's election plan?

MR. KELLY: We have talked to — let me take them in the order you mentioned — to other nations, to the EEuropeansF, and we noted that — oh, it would have been about the 26th of June, within a day or two of that, the European Community at its summit meeting in Madrid, in its statement on the Middle East did, acknowledge or recognize the government of Israel's position of May 14th as — I don't have the exact text in front of me — but in effect, as a positive contribution moving towards peace in the Middle East. And we certainly had earlier conveyed that message to the Europeans'

and have been emphasizing that this is — this provides a potential door to progress. And so, there has been recognition and public acknowledgement by the Europeans of the value of the government of Israel's position. (Coughs.) Excusé me.

We have discussed the position, the proposal, with other Arab governments in the area. They have made a variety of public statements about it. None have endorsed the proposal in its totality. Some of them have acknowledged publicly that this might provide a means towards progress in the area, and so there has been

if you will, at least a conditional endorsement on the part of some Arab governments. Some have had nothing to say about it, and some Arab government spokesmen have condemned it. It's a mixed report.

REP. ENGEL: You know, we're always talking of the so-called "moderate Saudis" — that's a word that we throw around a lot, or the administration has thrown around, in coming to Congress and saying, "Well, let's sell the Saudis planes, because they're moderate, they're our friends," etcetera, etcetera. It seems to me

if they chose, and if they really were moderate -- and I really question whether they are -- they could play a very, very constructive role since they bankroll a lot of the PLO, and they have a lot of influence in general -- could play a very constructive

role in getting the FLO and the Falestinians to accept these proposals for elections. And I really believe that our government, instead of putting such public pressure on the Israelis, ought to put some public pressure on other people that we think are so-called

"moderates," like the Saudis.

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I'm wondering if we could — if I could ask you about the Soviet Union and their — the agreement, the treaty that they signed with Iran. What moves are we taking? Obviously, the Soviet Union has always had very close relations with Iraq, and have always

traditionally been the ally, at least in the past few decades, of the Iraqis when there was hostility toward Iran, when the Shah was there, and even in the early years of the Ayatollah. What are doing

-- you can tell us -to perhaps talk to the Iraqis? Perhaps there is some annoyance on
their part with the Soviets -- I'm sure there is -- in signing the?
agreement with the Iran government. What are we doing to perhaps
work on this -- on the Iraqis to perhaps moderate them, and try to
get them to change some of their hard-line positions with regard to
the United States and with regard to the Middle East?

MR. KELLY: There has been worry, concern, by Iraq, by other countries in the Gulf over the reports of the expanded Soviet-Iranian relationship, these economic and trade deals, and

reported agreement on defensive assistance, whatever that may mean in exact terms. And we've discussed this with the government of Iraq, and with other governments in the Gulf. They are concerned, they are apprehensive.

I think because some of them, particularly Iraq, have a very significant relationship of their own with the Soviet Union, I am confident that the government of Iraq has raised this with the Soviet Union, and no — I have no doubt complained about it. What response they were given, I do not know, but certainly it is a matter of concern, and it's one that we're going to be bringing up again with the Soviet Union because, I think, a rearmed, hostile Iran is in no one's interest anywhere.

REP. ENGEL: But I would like our government -- the point I wastrying to make is. I would like our government to perhaps take

advantage of this in terms of openings with the Iraqis to try to, perhaps, get them to change some of their policies in the past, and perhaps swing a little bit more towards the West, or towards some

kind of moderation. And I hope --

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MR. KELLY: Good advice, and something we have in mind.

REP. ENGE: Thank you. Thank you, Mr. Chairman.

REF. HAMILTON: Mr. Secretary, I know you've been here a long time, and we certainly appreciate the patience you've had in responding to the many questions of members. I do have, still, a few more questions, and I will try to get through them quickly because you've had a long ordeal this morning.

First, on Echemical weaponsF ad ballistic missile proliferation.

I want to get a sense of what the administration is doing about that problem. Are we talking to suppliers? Are we seeking negotiations?

Are we supporting some kind of an on-site inspection regime? What is it we're doing at this point?

MR. KELLY: The previous administration, Mr. Chairman, put in place the missile technology control regime, which involves the United States and the six other nations which are

members of the industrialized summit, which is going to be meeting tomorrow in Paris. And that's an agreement hy each to adopt unilateral export controls on technology and equipment which would contribute to people developing a long-range ballistic missile capability. That doesn't involve the Soviets and the Chinese, and we have talked to both of them about the problems that some of their?

sales present in the Middle East region.

On the chemicals weapons front, we've been working with the Australian group, called — because it's chaired by the Government of Australia, which attempts to find agreement among exporters to limit precursors of chemicals which could lead to the production of chemical weapons or sale of things that would facilitate plans. Now, obviously, the facts on the ground in the Middle East tell us that those efforts haven't been universally successful. We are most

concerned by the chemical weapons plant in Libya; we're concerned by facilities in other countries. But we are working with the supplier countries.

REP. HAMILTON: Do you expect -- is there any reason to think we'll have progress soon, significant progress?

MR. KELLY: In terms of an exporter cutoff? I think progress will probably be incremental. I hope someday it will be airtight.

REP. HAMILTON: Is is already too late?

MR. KELLY: No, not if, through the President's initiative at the Chemical Weapons Conference in Geneva, there can be ultimate agreement on a verifiable chemical weapons agreement which would lead to the destruction of stock. REP. HAMILTON: Is it possible to get an agreement on chemical weapon initiative without getting into the inuclear weapon control issue, because the Arab states feel that the chemical weapon capabilities are counterbalanced to —

MR. KELLY: That's the horn of the dilemma. When we discuss a chemical limitations with the Arabs, they want to bring up nuclear limitations. The two have not been delinked.

REP. HAMILTON: Now, let me ask you some questions on the West Bank and Gaza. It's the 20th month now of violence. Do you see any signs of it abating?

MR. KELLY: No. And indeed the statistics of the last few months show an increase in violence.

REP. HAMILTON: The trend is the other way, more violence?

From where you sit, do you think the intifada is likely to go on indefinitely?

MR. KELLY: I hope not indefinitely. There are no near term -

REP. HAMILTON: You don't see --

MR. KELLY: -- prospects --

REP. HAMILTON: You don't see any signs of it stopping though?

MR. KELLY: I don't see any signs of a downturn.

REP. HAMILTON: We had a study come out by the Lawyers' Committee for Human Rights in New York, noting some disturbing trends in Israeli actions in the West Bank and Gaza. Are you away of that study?

MR. KELLY: I haven't seen that particular study, no, sir.

REP. HAMILTON: They are talking about beatings while in custody, and use of gunfire at close range, and misuse of plastic bullets, and so forth. You are not aware of that study at all?

MR. KELLY: I haven't seen that, I'll make it a point to get a hold of a copy of it.

REP. HAMILTON: Well, I just wondered, we have not then discussed it with the Israelis I presume?

MR. KELLY: Discussed that study?

REP. HAMILTON: That's correct.

MR. KELLY: Not to my knowledge. No, Mr. Chairman.

REP. HAMILTON: There is legislation being considered in the Knesset now which would have the effect of cutting off outside funds to Palestinian self-help and development projects. Are you aware of that pending legislation?

MR. KELLY: I am not, Congressman.

REF. HAMILTON: Would you take a look at that and see what you think the impact of that might be on our prorams?

MR. KELLY: I will indeed, and I'd be happy to supply you a position for the record, Mr. Chairman.

REP. HAMILTON: Now, the schools have been closed in the West-Bank for 19 months. What are we saying to the Israelis with respect to that policy?

MR. KELLY: We have talked to the governmen of Israel about the benefits that might flow from a reopening of the schools. Thus far they have not decided to reopen the schools.

REP. HAMILTON: Do you think they are considering seriously th◀ possibility of reopening the schools?

MR. KELLY: I just don't know the answer to that question, Mr. Chairman.

REP. HAMILTON: Is it our view that the policy contravenes international conventions which protect institutions devoted to the care and education of children?

MR. KELLY: On the exact legal point, I don't know. I'd be happy to answer for the record, Mr. Chairman.

REP. HAMILTON: All right. On the deportation question. About 56 Palestinians, I think, have been deported. Do these deportations violate existing international conventions in your view?

MR. KELLY: It is our view that they do, yes.

REP. HAMILTON: Are we seeking to try to end the deportations?

MR. KELLY: We have repeatedly brought our views before the government of Israel.

REP. HAMILTON: So, it's on our agenda with Israel. Is that

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correct?

MR. KELLY: It is, Mr. Chairman.

REP. HAMILTON: There have been a number of violent incidents involving settlers in the West Bank. Have they been increasing lately?

MR. KELLY: That is my impression, but I am not confident the statistics bear me out. We should take a look at that.

REP. HAMILTON: What is the Israeli policy today regarding the use of force by settlers?

MR. KELLY: We should supply a detailed answer for the record. In a nutshell, I believe that the Israeli policy is that settlers are to act only in self-defense.

REP. HAMILTON: Would you check that for me, please?

MR. KELLY: I'd be happy to.

REP. HAMILTON: And I am also informed that there are a number of American citizens involved in that.

MR. KELLY: There are a number of American citizens at settlements in the West Bank who are active.

REP. HAMILTON: And any implication of that from your point of view I would certainly be interested in. I would like to ask a few

questions with regard to the Soviet Union as well. What is the dialogue today between the United States and the Soviet Union with regard to the Middle East? Do you meet, are you scheduled to meet with your Soviet counterpart?

MR. KELLY: Secretary Baker, of course, met with Shevardnadze

early May in Moscow and discussed among other issues, the Middle East. Then in mid-June, the 18th or 19th -- I can't remember exactly, Mr. Chairman -- Dennis Ross, the Director of Policy Planning and I co-chaired two days of talks with the Soviets here in Washington to talk about the Middle East peace process and other issues in the Middle East. There is no next meeting scheduled. We agreed with

them to be in contact through respective embassies as things come up. But I anticipate we will be meeting again with them sometime in

the next several months.

REP. HAMILTON: Do you think the Middle East is a higher priority for the Soviets than it was previously?

MR. KELLY: External actions would indicate yes because the Soviet Foriegn Minister toured the area which no Soviet foreign minister had done in many years, and they've been active. So, I

think the answer is yes.

REP. HAMILTON: So, they're seeking to improve their ties with Egypt and Jordan, the Gulf states, Saudi Arabia?

MR. KELLY: They are indeed, Mr. Chairman.

REP. HAMILTON: Now, what about the Soviet relationship with Israel? Are they about ready to restore diplomatic relations, do you think?

MR. KELLY: I don't think a restoration is imminent, Mr. Chairman. They have discussed it as a potentiality and they've had direct talks, as you know, with officials of the government of Israel. There are some moves, such as the recent El Al flights to Soviet Armenia to bring back victims of the earthquake which indicate increased contacts between the two countries, but I don't anticipate an early recognition.

REP. HAMILTON: Are they making progress on the questions of emigration and trade and consular issues?

MR. KELLY: The indications are that emigration of Soviet Jewry is an issue on which progress is being made. I'm not actually up to date on trade contacts between Israel and the Soviet Union.

REP. HAMILTON: Are we having discussions with the Soviet Union with respect to international terrorism, particularly as it reflects -- as it manifests itself in the Middle East?

MR. KELLY: We have had an exchange with the Soviet Union on? international terrorism worldwide. It wasn't just focused on the Middle East.

REP. HAMILTON: And are you getting anywhere? Are you getting any cooperation?

MR. KELLY: I didn't handle the contacts, Mr. Chairman. My understanding is that there was — this sounds like "diplomatique," but I think there's a point to it — there was an exchange of views and on some of the issues, there was more substance to the conversation.

REP. HAMILTON: Do you have any reason to think that the Soviets will be helpful to us in getting our hostages out of Lebanon?

MR. KELLY: I would certainly hope so, Mr. Chairman. I haven't seen any concrete evidence of that. But that is something --

REP. HAMILTON: Do you have -- do you have --

MR. KELLY: -- we have raised with them.

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REP. HAMILTON: You have. Do you have anything to report to us at all about the hostages?

MR. KELLY: I'm sorry to say that there's no good news to report.

REP. HAMILTON: What is the status of the US-Soviet discussion on the question of chemical weapon proliferation, missile proliferation in the Middle East?

MR. KELLY: On missile proliferation, the Soviets have indicated that they're going to act — these aren't their words, these are mine — to limit themselves from putting in long-range systems. On chemical proliferation, the Soviets have taken some pleasure in pointing out that it has been allies of the United States who have often contributed to chemical proliferation in the Middle East.

REP. HAMILTON: What's the next step?

MR. KELLY: With the Soviets or with the allies?

REF. HAMILTON: No, with the Soviets.

MR. KELLY: We're going to keep talking to them about the proliferation issue. I think they're conscious of the dangers there.

REF. HAMILTON: Is this scenario where we have a common interest with the Soviet Union?

MR. KELLY: I would hope we have a common interest, because obviously --

REP. HAMILTON: On the basis of your discussions, do you thin we do have?

MR. KELLY: I think so because of their --

REP. HAMILTON: Do the Soviets think so?

MR. KELLY: I believe they do, Mr. Chairman.

REP. HAMILTON: Do you see growing friction in the Soviet-Syrian relation?

MR. KELLY: Friction, no. No, Mr. Chairman, I don't.

REP. HAMILTON: Do you see any change in the Soviet-Syrian military relationship? Are the Soviets cutting back their arms to Syria?

MR. KELLY: I have not noted any significant changes. No, Mr. Chairman.

REP. HAMILTON: Is Moscow pressing Syria to pay its debt -- on its military debt?

MR. KELLY: I am told that is the case, Mr. Chairman.

REP. HAMILTON: Is the King's position in Jordan, his political position eroding?

MR. KELLY: The King has announced plans to hold parliamentary elections, and I believe that the idea is that, with greater participation on the part of the public, the King's position

REP. HAMILTON: Is he asking for those elections because he senses his position is eroding?

MR. KELLY: I don't know the answer to that question. That has been speculated by some commentators.

REP. HAMILTON: The United States government -- we do not feel his position is eroding?

MR. KELLY: No, Mr. Chairman, I think we do not.

will be maintained.

REP. HAMILTON: Now, he had some riots, didn't he, this spring that led to the resignation of the Prime Minister. Who were these people that rioted in Jordan?

MR. KELLY: Mr. Chairman, I'm not expert on that. If I could supply you an answer for the record.

REP. HAMILTON: Do you have any reason to think there's some danger, some risk, of political instability in Jordan?

MR. KELLY: I think, in a country that's confronted with grave economic difficulties as Jordan is and which has had active representative participation, the risk exists.

REP. HAMILTON: I wanted to ask a question or two with respect to an earlier question that Mr. Torricelli had asked on US compensation for the victims of Iran Flight 655 last summer. Will the United States recognize the jurisdiction of the World Court in the lawsuit Iran has brought against the United States because of the incident?

MR. KELLY: May I submit an answer for the record, Mr. Chairman?

REF. HAMILTON: You may. Have we not determined the position yet?

MR. KELLY: We may well have, but I don't want to get it wrong.

REF. HAMILTON: (Laughs.) On — with respect to Egypt, what is the status of the talks taking place between the EIMFF and the Egyptian government?

MR. KELLY: Mr. Chairman, an IMF team was out in Egypt a week or two ago. They are now back in Washington. There is an intern

IMF review underway. There may be a decision within the next few days, and if not that, in a week.

REP. HAMILTON: Are you optimistic that the talks can be concluded successfully?

MR. KELLY: I have not been briefed on the results of the IMF team's trip. I'm looking forward to getting that in the next day or two.

REF. HAMILTON: Do you expect a conclusion of an agreement soon?

MR. KELLY: I hope so.

REP. HAMILTON: Within a month?

MR. KELLY: Until we're briefed on the results of the team's trip. I can't answer that, Mr. Chairman.

REP. HAMILTON: Now, can we expect that the available US cash transfers that now total \$230 million to be released to Egypt only after the talks are resolved with the IMF?

MR. KELLY: I think that would be a major progress mark, yes, Mr. Chairman.

REF. HAMILTON: In other words, the funds will not be released until those talks with the IMF are resolved --

MR. KELLY: That's my understanding --

REP. HAMILTON: -- is that correct?.

MR. KELLY: -- Mr. Chairman.

REP. HAMILTON: Now, is each reconsidering the M-1 tank

co-assembly project?

MR. KELLY: I have read that in the press. My understanding is the Government of Egypt tell us it is not reconsidering.

REP. HAMILTON: With regard to Syria, are we getting any cooperation from Syria today with respect to the American hostages in Lebanon?

MR. KELLY: For the last several years, Mr. Chairman, the Syrians have told us they would do everything they possibly can to help. It's a matter of debate as to whether they have done everything they possibly can.

REP. HAMILTON: Do you know anything they've done?

MR. KELLY: Of recent vintage??

REP. HAMILTON: Anything, anytime.

MR. KELLY: I know for a fact that they intervened actively to try to get Charlie Glass out after he was kidnapped. I am not award of other active intervention of that type.

REP. HAMILTON: Are they helping at all to curb the activities of extremist Palestinian groups which have safe haven and support from Syria?

MR. KELLY: I have seen no evidence that they are, Mr. Chairman.

REF. HAMILTON: Are there any trends in Syria that support international terrorism?

MR. KELLY: The trends are there, in that there are groups tremain in Syria or in Syrian-controlled parts of Lebanon which engage in international terrorism.

REP. HAMILTON: Has Abu Nidal left Syria?

MR. KELLY: He has removed himself and his headquarters to Libya. His operatives still operate in Syrian-controlled parts of Lebanon.

REP. HAMILTON: Why does Syria continue to give safe haven to Jibril's PFLPGC group?

MR. KELLY: I don't know -- I don't know their explanation of it, Mr. Chairman. We believe that they should not provide safe haven to Jibril and his group.

REP. HAMILTON: Is it accurate that a suspect in the Pan Am 103 tragedy is hiding in Syria?

MR. KELLY: Is hiding in Syria?

REP. HAMILTON: Now.

MR. KELLY: I don't know the answer to that question, Mr. Chairman.

REP. HAMILTON: Are we getting any cooperation from Syria with respect to the investigation of that accident?

MR. KELLY: Syria has told us that if evidence in the investigation points to the involvement of people within Syrian jurisdiction, that the Government of Syria will take action against them.

REF. HAMILTON: We will have, Mr. Secretary, a number of questions to submit to you in writing. You've indicated responses to some of the matters you were not sure about. We would appreciate, of course, that you got those responses to us within the

next week or so.

9

MR. KELLY: Yes, sir.

REP. HAMILTON: Mr. Secretary, can you confirm that there are no Elraqif Frog missiles in ELebanonF?

MR. KELLY: I cannot confirm there are no Iraqi Frog missiles there. We have no evidence that they have arrived.

REP. HAMILTON: -- arms in general continue to pour into Lebanon?

MR. KELLY: Yes, to all elements. In the last week or 10 days'

a lot of governments have announced they're cutting it off. The shipments which were en route had been launched before those statements. We'll have to see whether there's any proof to that.

REP. HAMILTON: The Frog missiles then may have been sent, but we don't have any confirmation of their arrival. Is that right?

MR. KELLY: We have no evidence that they were landed, if you will, sir.

REF. HAMILTON: Do we have evidence they were sent?

MR. KELLY: We have good reason to believe that there were Frog

missiles shipped. We do not have evidence that they were brought ashore.

REP. HAMILTON: What are we trying to do to stop the arms flow into that country?

MR. KELLY: We have talked to the various countries involved and told them that we think that now, more than ever, restraint is needed.

REP. HAMILTON: Various countries involved being?

MR. KELLY: Iraq, ESyriaF, EJordan, Egypt.F We have not talked

10 Iran since we don't have relations with them nor have we talked to ELibyaF.

REF. HAMILTON: I wanted to ask a question or two about ilraHow do you state US policy to Iran today??

MR. KELLY: US policy towards Iran is that we would like to se normal relations restored. To do that, the Iranians will have to take action to bring about the safe, immediate release of our hostages in Lebanon, and will have to stop involvement in international terrorism. We are willing to discuss this with an authorized representative of the government of Iran.

REP. HAMILTON: Are those preconditions to talks?

MR. KELLY: They are not preconditions to talks, but they are preconditions to a restoration of normal relations.

REP. HAMILTON: So, we are prepared to talk with authoritative persons of the Iranian government, period. That's our policy. At the Iranian policy is what, they are prepared to talk to us, are they not?

MR. KELLY: They have not responded to those offers. The President reiterated this in his inaugural speech. There has been no meaningful response from any competent Iranian authority.

REP. HAMILTON: Do we have a reliable channel to get communication back and forth to Iran?

MR. KELLY: We have high confidence that we can send a message to Iran that reaches it's destination. Yes, Mr. Chairman.

REP. HAMILTON: Well, there are many other questions, of course. We've had an unusually long session because of the long lapse since this subcommittee has had an opportunity to visit with an Assistant Secretary. We thank you for your appearance this morning and this afternoon. We certainly look forward to our relationship with you over a period of time now.

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We do have some questions that we will submit to you promptly.

MR. KELLY: Thank you, Mr. Chairman.

REP. HAMILTON: The subcommittee stands adjourned.

END?.EDF

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July 9, 1989



The Honorable Yitzhak Shamir Prime Minister Office of the Prime Minister Kiryat Ben Gurion, Bldg. 3 Jerusalem

Dear Prime Minister Shamir,

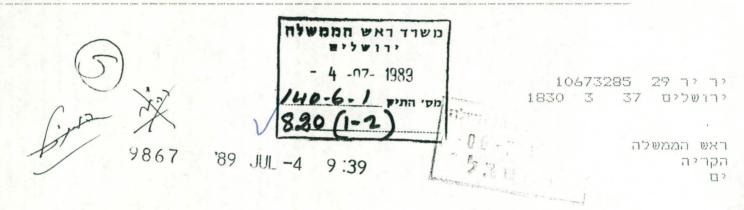
On behalf of The Washington Institute for Near East Policy and the participants of the Weinberg Program for Contemporary Mideast Issues. I would like to express our collective appreciation for the insightful presentation you offered us.

Your participation in our program provided an essential element in understanding the atmosphere and complications surrounding the peace process and the possibility of elections in the territories.

Thank you very much.

Sincerely,

Arsh Goodman
Strategic Fellow



בתשובה למגעים הישירים שמבהלת ארה''ב עם עראפאת מאחורי גבה של ממשלת ישראל – חייבת הממשלה להודיע לארה''ב חד-משמעית על הקפאת כל מהלך מדיני כולל קידום היוזמה המדינית הידועה כתוכנית שמיר. ח''כ גאולה כהן CHARLES E. BENNETT

MEMBER

3RD DISTRICT, FLORIDA

ARMED SERVICES COMMITTEE
CHAIRMAN OF SEAPOWER SUBCOMMITTEE
MEMBER OF RESEARCH AND
DEVELOPMENT SUBCOMMITTEE

MERCHANT MARINE AND FISHERIES
COMMITTEE

DEAN OF FLORIDA CONGRESSIONAL DELEGATION

Congress of the United States

House of Representatives

Washington, DC 20515

June 23, 1989

820(1-2)

Prime Minister Yitzhak Shamir 71 Hayarkon Street APO New York 09672 J.H. (JAY) MOONEY ADMINISTRATIVE ASSISTANT

JAMES S. PEARTHREE

LEGISLATIVE ASSISTANT
SHARON H. SIEGEL
BARBARA L. FETHEROLF
DARLA E. SMALLWOOD
ETHEL M. SCHISSELL
RALPH DE GENNARO
JAMES F. GRAHAM
A. LYNN MILLER
JUDY L. MIZE
KAREN L. ENGLAND
LORRAINE TAPPEN
WASHINGTON OFFICE STAFF

JOHN W. POLLARD, JR. BRENDA C. DONALDSON DONNA M. WELDON JACKSONVILLE OFFICE STAFF

לשבת ראש הממשלה 1989 - 7 - 60 בתקבל

Dear Honored Sir:

I had the great pleasure and honor of listening to you and meeting you when you were in Washington recently and you talked about all the problems that you have that face everyone in the Mid-East. I wish you well in your efforts in bringing about good results for everyone and I know you will try.

A matter of great concern has come to my attention from my personal friends in Jacksonville who own property in the city of Ramallah. The Bateh family have owned this property (approximately 5.5 acres) 90 years through generations. It is the family homestead and they are very attached emotionally as well as being interested in protecting their legal rights as owners. Despite this, the military administration of the area had the land bulldozed; the land was previously terraced with stone walls and now the walls and trees have been re-The land at the time when it was bulldozed was in the process of being cultivated with wheat by a tenant farmer who has now been evacuated and his tractor seized. The appearance, therefore, is that the government is taking the land without due process of the Some of my constituents (the heirs) are lawyers but they would prefer to have the matter taken care of amicably rather than litigated, which would be costly to both sides. The heirs think there is an intention to make this land into a parking lot. the parking lot is for officials who have offices nearby. My constituents feel that other available space in the neighborhood would serve such a purpose. In any event, they should not have to give up their land which they have had in their family for generations.

I would appreciate it very much if this matter could be given your personal consideration and please advise me so I can advise my constituents that their family land will not taken. Under these circumstances, they would prefer not to put in a claim for damages already done to the property.

Prime Minister Yitzhak Shamir Page two June 23, 1989

Again, I enjoyed visiting with you and the great honor it was to meet you. I express the sincere hope that you can help my constituents with this ticklish and very difficult situation.

With kindest regards, I am

Sincerely,

Charles E. Bennett

CEB:ss

P.S.: The enclosed Bateh family chronology throws further light on this matter.

THOMPSON, MANN AND HUTSON

LAW OFFICES

GREENSBORO ATLANTA GREENVILLE COLUMBIA 3000 K STREET, N.W.
SUITE 600
WASHINGTON, D. C. 20007
(202) 783-1900

CABLE THOMLAW

### BATEH FAMILY CHRONOLOGY

The following is a chronology of the events surrounding the . Bateh Family land in Ramallah, Occupied Palestine.

The land has been owned by the Bateh Family since the early 1900's, when it was purchased by Abdallah Essa Abdallah Bateh, grandfather of the present heirs. This ownership is evidenced by recorded deeds. The land directly abuts the "Hamara," the Bateh Family ancestral home. The land is 25 dunums in size, which is approximately 5.5 acres.

The land is two blocks from the center of the main commercial area of Ramallah. A number of years ago the family recorded a land use plan with the Ramallah municipal government. In that plan, streets were dedicated, lot boundaries were established, and lots were divided among family members.

It has always been the intention of the heirs to build summer homes on this land. On November 16, 1988, Albert Batch received word from Ramallah relatives that Israeli military authorities

were leveling the land with bulldozers. From past experience, all knew that this was the first step toward Israeli seizure of Arab land.

Albert Bateh of Brooklyn, New York, and George Bateh of Jacksonville, Florida, immediately travelled to Ramallah. Upon their arrival on December 2-3, 1988, they observed that the Israeli military authorities had bulldozed stone walls and leveled an area of approximately 150' x 400'.

Upon meeting with the military governor for the Ramallah District on December 7, 1989 (it took four days for the military governor to grant a meeting), they inquired as to the basis of the Israeli intrusion on the Bateh land. He replied that they needed land for a parking lot, for visitors of political prisoners in a nearby Israeli prison. He expressed surprise that the Batehs were the owners of the land, and that they were American citizens. He claimed that he thought the land was owned by the Custodian of Absentee Land.

The Batch family attorney, Fuad Shihadeh, told the military governor that this was clearly not true. The land had been owned by the Batch Family for decades, and the deeds were on file at the land registry office. The military governor took copies of the American passports of Albert and George Batch, and stated the matter would be studied.

The Batchs were concerned about the Israeli designation of the land as Absentee Land. When the Israelis occupied the West Bank in 1967, they immediately claimed that title of all Arab land, owned by individuals not then present on the day of conquest, as conveyed to the Israeli Custodian of Absentee Land. The net effect of this law was to dispossess every foreign living Palestinian of his land, including those like the Batchs who were American citizens.

Historically, the Israelis have never applied this law to citizens of countries that had diplomatic relations with Israel during the 1967 War.

There was one exception to this. In 1978, the Israelis tried to declare land owned by an American citizen of Palestinian descent, Absentee Land. That incident created such an international uproar in the United States and Europe, that the Israelis receded from that interpretation.

After meeting with the military governor on December 7, 1988, Albert and George Batch met on December 8, with Mr. Philip Wilcox, the Consul General at the American Consulate in Jerusalem. He immediately recognized the devastating precedent that the seizure

of the Bateh lands would create. It would open up the floodgates to wholesale seizures of American and European owned land in Occupied Palestine.

Mr. Wilcox initiated a concerned and persistent U.S. State Department inquiry to the Israelis about the land seizure.

To date, the Israelis have deceived the State Department by implying that they are no longer interested in the Batch land. Yet, in late March 1989, when the Batchs had hired a farmer to plow the land and plant wheat, the Israeli military stopped the plowing and seized the tractor.

The Israelis have refused to inform the State Department or the attorneys retained by the Batch family of the legal basis for their seizure of this land. Additionally, their claims as to their intended use of the Batch property have varied from a parking lot, to a traffic department, to an office building.

On May 5, 1989, the military governor of Ramallah told the Bateh family lawyers that they were declaring the Bateh land Absentee Land and they were going to expropriate it.

As of this date, the Israelis have not served any official notice upon the Batehs or their attorneys to initiate any of these procedures. Yet, they refuse to allow the Batehs use of their

3000

land, as evidenced by their seizure of the tractor of the farmer hired by the Batehs to plant wheat.

Consul General Wilcox and the Bateh Family attorneys confirm that the Israelis have never previously used the Absentee Law against American or European citizens. They also state that they are unaware of any expropriation of American owned land that was within a municipality, as is the Bateh property.

Clearly, the impact of this land seizure extends far beyond the Batch Family. The State Department is fearful that if the Israelis succeed in this instance, the precedent will be catastrophic for land owned by many American and European citizens.

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Scott Bloomer Musikantv.24A S-223 68 Lund Sweden

Prime Minister Yitzhak Sharim Knesset Jerusalem Israel א הממשלה 15 - 6 - 1989 5 ב 7 ה

משרד ראש הממשלה ידושלים 1 4 -06- 1989 מסי התיק (1-2)

Dear Prime Minister

As an American citizen living in Europe, I want to express my support for the nation of Israel. I am appalled at the recent statements of the Secretary of State James Baker, and do not support his position. There is already an Arab state in Palestine: it is called Jordan. I support your position that a "territorial solution" is not the answer.

I realize that you are in a position in which you must bear much pressure: great injustices are done to Israel and Israelis in the world press. The clear and stated purpose of the PLO is the destruction of your nation, and they have obviously hatched a diabolical scheme to turn the nations of the world against you. I am praying that the leaders of the US will not be hoodwinked by this deceptive strategy, and that you will receive the support you need. The land belongs to Israel; may the people of Israel, and Jews, and Israels supporters throughout the world unite in this hour.

Sincerely,

Scott Bloomer

June 1 1989



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ILTZHAK SHAMLA PRIME Mr. ARENS, FOREIGN MINISTER KNESSE JERUSALE BLES S BO THOE SRAEL INFO DNG

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TEROF ISRAEL,

BAKER, SHALOM MR IZEN EX-CANADIAN AIR YOU OF YOUR RECENT INITIATIVE ONE HUND R NEWLY ELECTED CABI AIR FORCE VETER ENT SPEECH FOR N HUNDRED PERCENT. CABINET POSITION ISRAELI PROTEST VETERAN FOR NOT ITIZEN TO ISRAE

S PEACE TO YOUR ISRAEL'S RESPECT DUE ITION DASTARDLY LIES OF P S TRUSTING THE WORDS HE PLO COVENANT CALL N OF INDEPENDANCE DA TO BELIEVE THE D LEADERS BESIDES S. REMENBER, THE S OF PLO WORDS OF YASIR ARAFAT THOSE COLD 80 MAIVE ITS ARAB LLS F DATED BLOODED MURD ERERS. " DEATH ISRAEL PROCLAMATION YET CAL TO THE STATE BODIES AGRESSION AEL TO RET SION WE RETURN STATES IN THE MIDST OF WANTON CALL UPON THE STATE THE OF ISRAEL WAYS OF THE THE DEVELOPMENT PART IM WITH FULL PLAY THEIR DUE REPRESENTATION AND IN ALL CITIZENSHIP - PROVISIONAL OR PERMANENT RING STATES AND THEIR PEOPL TH THE INDEPENDANT JEWISH N WE OFFER PEACE AND INVITE TH ION FOR THE CO WE RCE AND THEM TO UNITY NEIGHBOURING PEOPLES AN WISH NATION COOPERATE WITH THE COMMON GOOD OF ALL.

THAT YOU L INCLUDING CANDID OPINION MR BAKER G ALL THE M TELEVISION, THE MORLD THROUGHOUT MEMBERS OF THE TONS HAVE BEEN BRAIN-WASHED MEDIA SHOHING ONLY ONE SIDE HAVE WITH RADIO AND ONE ES IN SIDED STORIE ISRAEL DEFENCE OF HOSTILITIES JUDEA ET THE SAMARIA AND HANDLING A TENDANCY TO FORGET HAS TRUE HISTORY TODAY, THE U.S. NATION CELEBRATED MEMORIAL DAY TO COMMEMORATE OF U.S. THEIR LIVES THOUSANDS SERVICENEN MHO GAVE IN WORLD VIETNAM FOR DEMOCRACY. IT WAS THE A ARAB NATION REMEMBER IT AGAINST ISRAEL AND ISRAEL BELOVED PROMISED LAND AND THOUSANDS ALSO LOST THEIR LIVES FOR DEMOCRACY.

MR BAKER I BESEECH YOU TO GIVE YOUR ONE HUNDRED P FOREIGN POLICY SUPPORT TO ISRAEL'S PEACE PROPOSALS IS THE ONLY DEMOCRATIC COUNTRY IN THE MIDDLE EAST BEEN A TRUE TRUSTED ALLY OF THE UNITED STATES FOR S. R AND REMEMBER; ISRAEL ALWAYS HAS YEARS.

MUE GOLDBERG 4550 ISABELLA APT.105 MONTREAL PO H3T 2A2 CANADA TEL: 514-739-6512

\* PLEASE NOTE! RESIDED IN ISRAEL, FROM 1969 UNTIL 1980 AND WAS EMPLOYED WITH ISRAEL AIRCRAFT INDUSTRIES. (1.D.No. 1242726)

The Hon. James Baker, to Secretary of State,

120/85 Cort 8

Dear Mr. Baker:

Washington, D.C.

לשדה רא א הממשלה 1.1 -6 - 1989 -1.2 א בל

820 (1-2) 829

I listened to you lecture the State of Israel yesterday and truly I was amazed at your lack of historical knowledge and your total lack of diplomatic astuteness.

How can you assume that you have the right to tell the Independent State of Israel with whom to do business and how to run their country? Do I sort of sense that you may be talking to the former Secretary of State Mr. Weinberger? Or are you a trilateralist who has a huge interest in Saudi Arabia together with the rest of the boys from Bechtel.

Of course, if you are listening to Mr. Lerner of Tikkun Magazine, you may seem to be assured that the American Jews are divided. However, I can assure you that the American Jews are solidly lined up for Israel.. with very few exceptions.. And, The average American Jew is as loyal an American as Mr. Lerner or Rabbi Schindler may be and still be actively interested in the welfare of the STate of Israel.

The only reason the United STates has been giving financial aid to Israel is because Israel has been its eyes

is no longer afraid of The Soviets...Mr. Gorbachev is a nice person...it is no longer the "Evil Empire"...so, maybe the USA doesnt need Israel anymore.And, of course, there is no free lunch.

Mr. Baker, . Are your roots deep in the British Empire like that of Mr. Bush? It seems to be so...and I can assure you that , NAPOLEON BONAPARTE was correct when he called England PERFIDIOUS ALBION. Please do not force history to call the USA perfidios America. The whole problem in the middle East has been caused by the British. You know that, Mr. Baker. The British were given the Palestinian mandate after first World War and had promised the Jews a state for the help given them by Chaim Weizman in his work with TNT. When they were forced to give up their mandate, they gave 2/3 of the Palestinian territory to a little Hashemite King and then decided to divide the small remainder between th Jews and the" Palestinian" Arabs. It was a terrible thing to do to the Jews and the Arabs However, the Jews accepted their little piece of territory but the Arabs refused. The rest of the history you and most people know...the only way the Jews have been able to hold on to the sovereignty of their Nation is through the barrel of a gun. (which is the only language the Arabs seem able to understand)... Israel has asked for peace...has pleaded for peace....gave up the whole of the Sinai Peninsula to make peace with Egypt. But, Mr. Baker, this is the last piece of territory the Israelis will give up



tor peace.

Mr. Baker, "IF THE PRICE OF PEACE IS NATIONAL SUICIDE, I CAN ASSURE YOU THAT THE ISRAELI'S WILL NOT SUBMIT TO YOUR DEMANDS OR ANY OTHER DEMANDS. AND MR. BAKER, REMEMBER, THE ISRAELIS CAN BECOME VERY LOYAL TO THE SOVIETS WHO ARE CLOSER TO THEM GEOGRAPHICALLY AND ARE KNOWN NEVER TO LET AN ALLY SPIN IN THE WIND"...UNLIKE THE GREAT USA.

Who am I to lecture to the great James Baker the III but if I were he I would listen to someone other than Mr. Weinberger...for Mr. Baker, you will find that you are engaging in very poor diplomacy when you openly come out for an aggressor and terrorist such as Arafat or the greatest terrorist of them all the King of Saudi Arabia whose money supports these terrorists.

"Kull Yisroel Am echad and Israel shall live forever.

Heegeedures

HAROSS 2308 mallbry De Olardo (F) 32805

(3)

13304 Bregman Road Silver Spring, MD 20904 June 6, 1989

ירושלים ירושלים 14-00- (< מסי התיק (1-2)

The Honorable Yitzhak Shamir Prime Minister of Israel Yerushalim, Israel

Dear Mr. Prime Minister:

I wanted to write to you to let you know how pleased I am at your leadership and especially pleased I am of your uncompromising stance toward the Palestinians at this time.

I was saddened to learn of Mr. Baker's words regarding Israel recently and Mrs. Thatcher's as well. I am one of many believers in the Messiah who has been a serious prayer warrior on behalf of Israel. I look forward to making aliyah in the near future, to do more battle on her behalf, to welcome the Messiah.

I am part of a Jewish congregation in Maryland which supports your efforts very much. Some of our congregation have already made aliyah.

Please be assured that you have the support of many Christians and Jewish people in the United States as you continue unswervingly with regard to the territorial battle of Israel. Keep up the good work.

Sincerely.

Judith (Yehuda) Grominger

25/26/35

Judy Grominger 13304 Bregman Road Silver Spring, MD 20904





The Honorable Yitzhak Shamir Prime Minister of Israel Prime Ministry Office Jerusalem, Israel

AIR MAIL



Rudolf Purkhardt

Prime Minister's Bureau Mr. Yitzhak Chamir Jerusalem 91 919. ISRAEL.

משרד ראש הממשלה ירושלים - 5 -00- 1983 משי התיק (1-2)

D-8100

Juni 1989.

Prof.-Carl-Reiser-Str. 19

f.,/,/?

Garmisch-Partenkirchen

Dear Mr. Yitzhak Chamir.

Israel's selection and vocation by God has been a fast of long standing. No power of the world can ignore this. It is disgraceful that there was no objection by the Jewish American Organization against <u>James Baker's speech</u>. "Ye have not gone up into the gaps, neither made up the hedge for the house of Israel to stand in the battle in the day of the Lord." (Ezek. 13:5).

In response to the claims by the neighbours whose territories amount to 600 million km Israel should insist: "And he hath cast the lot for us, and his hand hath divided it unto them by line: we shall possess it for ever, from generation to generation shall they dwell therein." (Is. 34:17). Our cynical world has apparently forgotten that Israel owns only a small coastal strip., The USA and the Soviet Union want to force Israel into a hollow peace with the PLO. Jerusalem as the capital of a PLO state amounts to a declaration of war , since this is Israel's territory! "As yet they shall use this speech in the land of Judah and in the cities thereof; The Lord bless thee, O habitation of justice, and mountain of holiness (Moria and Zion), which the Lord has made his property". (Jer. 31:23). Israel should get rid of the protection by the super powers, if they want to exist, for: words of his mouth were smoother than butter, but war was in his heart: his words were softer than oil, yet were they drawn swords". Therefore, "Give us help from trouble: for vain is the help of man". (Ps. 55:22; 60:13). And God says: "So shall ye divide this land unto you according to the tribes of Israel". (Ezek. 47:21) -Incl: "Open Letter"

SAUDI KUWAIT

STATE

SAUDI KUWAIT

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Rudolf Purkhardt

לשכת ראש הממשלה 1989 - 6 - 6 0 1 ק ב ל According to the basic text the Holy Land with Jerusalem is called the center of the world. Its northern border is the Euphrates River. "And I will set thy bounds from the Red Sea and the desert unto the river". "And all this land that I have spoken of will I give unto your seed, and they shall inherit it forever".

(Ex. 23:31; Ex. 32:13). Abraham's descendants cannot leave the path marked out to them by God, for: "For thou art an holy people unto the Lord thy God: the Lord thy God hath chosen thee to be a special people unto himself, above all people that are upon the face of the earth." (Deut. 7:6). At the end of a forty-year-migration through the desert God spoke to Moses: "Get thee up unto Mount Nebo, that is over against Jericho; and behold the land of Canaan, which I give unto the children of Israel for a possession." (Deut. 32:49). Consequently the state of



Israel founded in 1948 is connected irrevocably to the Chosen People. "And they shall dwell in the land that I have given unto Jacob my servant, wherein your fathers have dwelt." (Ezek. 37:25). And this people as a nation was entrusted with the holy task to reveal God's majesty and glory to all mankind. "So will I make my holy name known in the midst of my people Israel; and the heathen shall know that I am the Lord, the Holy One in Israel." (Ezek. 39:7).

God in His mercy and compassion turns again towards His people, which were scattered all over the world for almost 2,000 years. However, Israel will not find its universal mission and vocation unless it recognizes its Messiah who died and rose again from the dead. He died for the lost sheep of the house of Israel. "This is the blood of the testament which God hath enjoined unto you." "Him hath God exalted with his right hand to be a Prince and Saviour, for to give repentance to Israel, and forgiveness of sins." (Hebr. 9:20; Acts 5:31).

For forty years the Arab neighbours have fought six wars with the purpose of extinguishing the state of Israel. "For they speak not peace, but they devise deceitful matters against my people in the Promised Land". And also: "I will punish all that oppress Israel, says the Lord." (Ps. 35:20; Jer. 30:20).

Is it not real pharisaism by politicians in East and West to suggest to Israel the establishment of aPLO state on Israels tiny territory? Based upon animosity against Israel foreign media use the same old argument to exchange territory for peace in the Middle East. But Israel has to face divine truth, for: "The Lord will give strength unto his people; the Lord will bless his people of Israel with peace." And "My kindness shall not depart from thee, neither shall the covenant of my peace be removed, saith the Lord that hath mercy on thee." (Ps. 29:11; Is. 54:10).

Therefore, the Lord of the heavenly hosts will put an end to the hatred by the Arab neighbors. And so Israel will learn that God is its true protesction. "Lord, when thy hand is lifted up, they will not see: but they shall see, and be ashamed for their envy at your people of Israel." For "The Lord hath a controversy with the nations, he will plead with all flesh." (Is. 26:11; Jer. 25:31). Those who are not able to perceive 'the mystery of Israel' will also be not able to recognize God's activities for His people. "Behold, as the clay is in the potter's hand, so are ye in mine hand, O house of Israel." Also, "Hear, O Israel, the Lord our God is one Lord." (Jer. 18:6; Mark 12:29).

God Almighty is the ally of His Chosen People, and Israel is privileged to connect His activities with the prophecies to its fathers. These relations to His people prove the restoration of the state of Israel, but political and clerical circles deny His Chosen People its Land of Heritage, as it is said in the Bible. "But now thus saith the Lord that created thee, O Jacob, and he that formed thee, O Israel, Fear not." For, "And I will make them one nation in the land upon the mountains of Israel." (Is. 43:1; Ezek. 37:22).

However, everything will be in vain if Israel does not follow its divine call and disobeys its God. "And now, saith the Lord, that formed me to bring Jacob again to him, Though Israel be not gathered." (Is. 49:5).

God will keep all His promises. He is true and will keep his word. "God shall bless us; and all the ends of the earth shall fear him." "Truly, God is good to Israel, even to such as are of a clean heart." (Ps. 67:8; Ps. 73:1). Therefore, "Pray for the peace of Jerusalem: they shall prosper that love thee." (Ps. 122:5)

I hope Israel will be blessed and praise its God through the Messiah Jeschua, for ever and ever.

Rudolf Purkhardt
Prof.-Carl-Reiser-Str. 19
D-8100 Garmisch-Partenkirchen

R. Touchhardte.

AMERICAN ZIONIST FEDERATION
OF SOUTH FLORIDA

605 Lincoln Road, Suite 600 Miami Beach, FL 33139 (305) 538-6213



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Prime Minister Yitzhak Shamir Office of the Prime Minister Jerusalem, Israel

Dear Mr. Prime Minister:

We wish to express our thanks and deep appreciation for your kindness in sending a cablegram, on the occasion of the celebration of Yom Zahal.

The afternoon was an overwhelming success, both for the Jewish Community and for Israel, via the news media in the South Florida area.

Minister Bar-Lev, who was our guest speaker, was an exemplary representative of the Israel Government, and presented a positive and true picture of the problems confronting the government and the State.

Once again, our sincere appreciation. May you continue to enjoy good health and success in your undertakings, on behalf of our People and the State of Israel.

Sincerely,

Joseph Morley Secretary General Herut South Florida Vice President, Amer-

ican Zionist Federation

of South Florida

Harriet Green

May 31, 1989

Chairman of the Board of Directors, American Zionist Federation of South Florida

HG: HR

Coordinator: Mr. JOSEPH MORLEY, Secretary-General, Herut Zionists of Florida and Vice-President of the American Zionist Federation of South Florida.

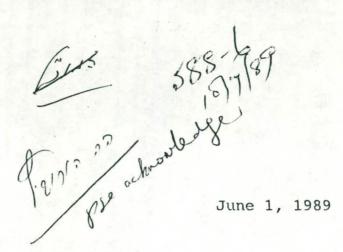
r Information: Mr Jacob





MANFRED OHRENSTEIN MINORITY LEADER 27TH DISTRICT

DISTRICT OFFICE 270 BROADWAY, ROOM 612 NEW YORK, NEW YORK 10007 212-587-5504



The Honorable Yitzhak Shamir Prime Minister of Israel Prime Minister of Israel's Office 3 Kaplan Street Jerusalem, Israel 91919

Dear Prime Minister Shamir:

Attached is a Resolution adopted by the New York State Legislature in recognition of the 41st Anniversary of the State of Israel.

With best wishes.

Manfred Ohrenstein

Attachment



THE WASHINGTON INSTITUTE for Near East Policy

20 20 10 25 (11)

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e Yitzhak Shamir & May 25, 1989

The Honorable Yitzhak Shamir Prime Minister Office of the Prime Minister Kiryat Ben Gurion, Bldg. 3 Jerusalem 6 Source on words

משרו ראש הפמעלה יוואליי - 2-00- 256 משי התיק (2-1-2

Dear Prime Minister Shamir,

From June 25-30 The Washington Institute for Near East Policy will be conducting a study group of senior American policy makers, experts and journalists in Israel. This group will be the first of the Institute's new Weinberg Program for Contemporary Mideast Issues. The group will be chaired by Ambassador Sam Lewis, President of the U.S. Institute of Peace. The format will be similar to that of the Institute's 1986 study tour which laid the foundation for: "Building for Peace - An American Strategy."

Since elections in the West Bank and Gaza are at the center of policy making in both Washington and Jerusalem we have decided to concentrate this year's seminar on: The Intifada, Israel and the Issue of Elections. The study group will include nine participants. We enclose a copy of a tentative program for your perusal.

We would be honored if you would agree to meet the group over lunch on Thursday, June 29 at 1:00 p.m., at the Laronme Hotel, Jerusalem, and address the group on "Elections, Interim Arrangements and Final Status -- An Overview of the Shamir Plan."

In addition to educating the participants, our goal is to publish a report on the group's findings. If you prefer that your remarks be off-the-record, we would comply with your request.

Thank you for your cooperation and we will be in touch with your office regarding your reply. If there is any further information you might require, my office numbers in Jerusalem are (02) 241003 or (02) 248624.

Sincerely,

/ / ( ( ) ( )

Hirsh Goodman

Strategic Fellow

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# THE WASHINGTON INSTITUTE

HIRSH GOODMAN

STRATEGIC FELLOW

22/6/89

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50 F STREET, N.W. • SUITE 8800 • WASHINGTON, D.C. 20001

(202) 783-0226

## Study Mission - June 25-30, 1989

#### Participants

- Ambassador Samuel Lewis, President, U.S. Institute of Peace Chairman
- Dr. Harvey Sicherman, Consultant to Secretary of State Baker; Adjunct Scholar of The Washington Institute
- Colonel Edward Cabaniss, Office of Net Assessment, Department of Defense
- Mr. Graeme Bannerman, President, Bannerman Associates; Former Chief of Staff of the Senate Foreign Relations Committee
- Mr. Leslie Gelb, Deputy Editor, Editorial Page, The New York
  Times
- Mr. Michael Kramer, Special Correspondent, Time Magazine
- Mr. Richard Chesnoff, Senior Correspondent, U.S. News and World Report
- Mr. Jackson Diehl, The Washington Post, Israel Correspondent replacing Glenn Frankel
- Mr. Michael Rosenbaum, Bureau Chief, CBS News, Israel
- Mr. George Moffett, Middle East Correspondent, The Christian Science Monitor
- Mr. Harley Frankel, Associate, Weinberg Program for Contemporary
  Mideast Issues
- Dr. Martin Indyk, Executive Director, The Washington Institute
- Mr. Hirsh Goodman, Strategic Fellow, The Washington Institue

#### PROGRAM AND SCHEDULE

Washington Institute Study Group, June 1989.

Sunday, June 25,.

11:24 a.m. - U.S. Participants arrive TW 884

Transfer to Tel Aviv Hilton

4:15 - Depart Hotel

5:00 - 7:00 - U.S. Ambassador William Brown : An update. Residence of Ambassador and Mrs Brown, Herzlia.

7:30 p.m. Reception with policy makers, journalists and politicians
Executive Terrace - Hilton Hotel, Tel Aviv.

Monday, June 26,.

#### The Region

8:00 - 9:00 Working Breakfast with Head of Israel Military Intelligence, General Amnon Shahak: - Israel and the Palestinians: A Status Report.
Private Room - Hilton Hotel, Tel Aviv.

#### Gaza

9:00-10:30 Gaza: the socio-economic, demographic, political, religious trends in the Gaza Strip. Dr. Issachar Goldrath; Gen. (ret.) Yitzhak Segev, former commander Gaza area. Private Room - Hilton, Tel Aviv.

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2:30 - 5:00 Lunch with Gazan Palestinian leadership: Zakariya Agha, Head of Palestinian Doctors Association; Haled el Kudrra, Gaza Lawyers Association; Asad Siftawi (Fatah), Hader Abu Safi (the Left wing).

Marna House Hotel, Gaza.

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7:30 - 9:00 Working breakfast, Zeev Schiff, Defence Editor, Ha'aretz: Koret Fellow, the Washington Institute: - Israel's Minimal Security Requirements. Private Room - Hilton, Tel Aviv.

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Pasha Room, American Colony Hotel, Jerusalem.

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Check-in, Jerusalem Laromme Hotel

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Shemesh Restaurant, Jerusalem.

Wednesday, June 28, 1989.

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9:45 - 11:00 The Economic Implications - Dr. Dan Zakai, Senior Economist, Research Department, Bank of Israel. Private Room, Laromme Hotel, Jerusalem.

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Prime Minister's Bureau

6:30 - 8:00 - Finance Minister Shimon Peres. The Labour Party's view of the peace process. Finance Ministry.

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Sergio's Restaurant, Jerusalem.

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8:00 - 9:30 Working Breakfast. Feisal Husseini: A Palestinian Perspective.

Private Room, Laromme Hotel, Jerusalem.

9:45 - 10:45 Elections, Can They Work? - An Israeli Perspective. Senior Political Advisor to the Foreign Minister, Sallai Meridor.

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2:45 - 4:00 - Justice Minister Dan Meridor. Elections: The Dilemmas.
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5:00 - 6:30 U.S. Consul General, Jerusalem, Phillip Wilcox: The Forces at Play, an American perspective. Residence of the Consul General, Pinsker Street.

7:30 - Working dinner: Alternate scenarios to the peace process - Dr. Amnon Rubenstein, Shinui; Shai Feldman, Jaffee Centre for Strategic Studies; Galia Golan, Peace Now. Private Room, Laromme Hotel, Jerusalem.

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10:00 - 11:30 - Foreign Minister Moshe Arens: Elections and the Peace Process.
Foreign Ministry, Jerusalem.

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WASHINGTON INSTITUTE R NEAR EAST POLICY STRATEGIC FELLOW HIRSH GOODMAN 22/6/89 : 77 p 180 2016) \$ 513N X (2014) p 34X PM STUDY GRAP , SO X 23717N < x1 4 6 ( < 1) 50 F STREET, N.W. • SUITE 8800 • WASHINGTON, D.C. 20001 (202) 783-0226

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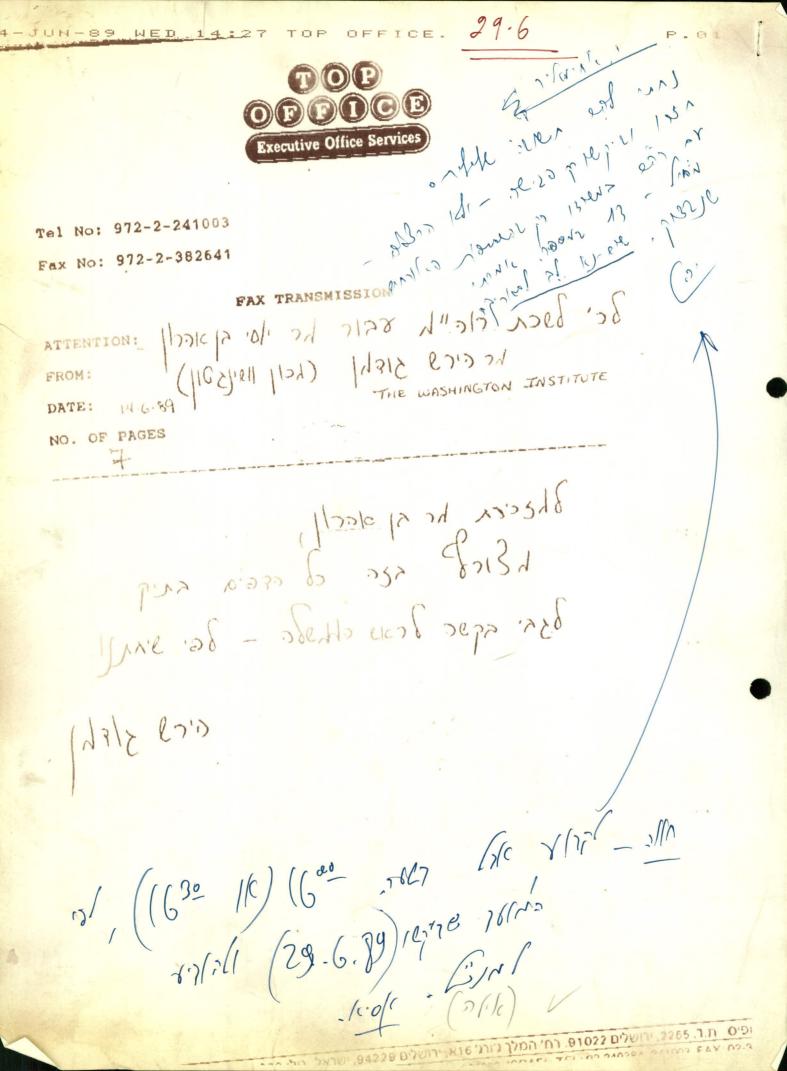
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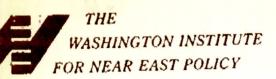
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1:40 - U.S. Participants Depart TWA 885





June 4, 1989

Mr. Harry Hurwitz Advisor to the Prime Minister Office of the Prime Minister Kiryat Ben Gurion Jerusalem

Dear Mr. Hurwitz:

From June 25-30 The Washington Institute for Near East Policy will be conducting a study group of senior American policy makers, experts and journalists in Israel. The subject of this seminar will be: The Intifada, Israel and the Issue of Elections. The group will be chaired by Ambassador Sam Lewis and will include 9-10 participants.

Attached is a copy of the letter we sent to Prime Minister Shamir requesting a meeting with the group. We understand that it is a large request that the Prime Minister meet the group for lunch. If that is not possible, we would be happy to schedule a meeting any time during the afternoon of Thursday, June 29, after 3:15 p.m.

Also attached is a list of the group participants and a tentative schedule.

Thank you for your attention and consideration. We will be in touch with your office regarding a reply. If you require any further information. my office numbers are: (02) 248624 or (02) 241003.

Sincerely,

Hifsh Goodman Strategic Fellow

## THE WASHINGTON INSTITUTE for Near East Policy

May 25, 1989

The Honorable Yitzhak Shamir Prime Minister Office of the Prime Minister Kiryat Ben Gurion, Bldg. 3 Jerusalem

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Hirsh Goodman
Strategic Fellow

# TENTATIVE SCHEDULE

Washington Institute Study Group, June 1989.

(Correct as of June 12, 1989)

Sunday, June 25,.

11:24 a.m. - U.S. Participants arrive TW 884

Transfer to Tel Aviv Hilton

7:30 p.m. Reception with Zeev Schiff, Ehud Ya'ari, Ephraim Sneh, Itamar Rabinovitz, Sallai Meridor, Nahman Shai, Nimrod Novik, Asher Susser, Ephraim Lapid, Reuven Merhav, Eitan Haber, Eitan Ben Tsur, Eli Rubenstein, Shai Feldman, Galia Golan, Martin Kramer, Zvi Rafiah.
Private Suite - Hilton Hotel, Tel Aviv.

Monday, June 26..

### The Region

8:00 - 9:30 Working Breakfast with Head of Israel Military . Intelligence, General Amnon Shahak: - Israel and the Palestinians: A Status Report.

Private Room - Hilton Hotel, Tel Aviv.

#### Gaza

9:30-11:00 Gaza: the socio-economic, demographic, political, religious trends in the Gaza Strip. Dr. Isachar Goldrot; Gen. (ret) Yitzhak Segev, former commander Gaza area.
Private Room - Hilton, Tel Aviv.

11:00-1:00 Bus to Gaza Strip.

## Box Lunch on Bus

1:00-5:00 Meetings with Palestinian leadership of all major streams. Tour of Refugee camps and meetings with UNWRA officials. Meetings with local religious leadership, educators and administrators. Meeting with IDF commander in Gaza.

8:00 p.m. Working Dinner -- Defence Minister Yitzhak Rabin: The Situation on the Ground and Possible Solutions. Private Room - Hilton, Tel Aviv.

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Territory for Peace? - Israel's Security Requirements

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10:15 Land Jerusalem Atarot Airfield

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West Bank Palestinian Polity: A Status Report

The Intifadah: A Palestinian Perspective.

3:15 - 4:45 - Political Implications - Mahdi Abdul Hadi and others,
Pasha Room, American Colony Hotel, Jerusalem.

5:00 - 6:30 - Socio-economic implications - Dr. Hisham Awartani, Dr. Salim Tamari
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7:00 - Check-in Laromme Hotel, Jerusalem.

8:00 - Working Dinner. The Forces at Play: Ehud Ya'ari, chief Mideast Affairs Correspondent, Israel Television; Visiting Fellow, The Washington Institute.
Sergios Restaurant, Jerusalem.

Wednesday, June 28, 1989.

Israel and the Intifadah: A Status Report

8:00 - 9:30 Working Breakfast: The IDF, the Intifadah and Deterrence, Deputy Chief of Saff, General Ehud Barak. Private Room, Laromme Hotel, Jerusalem.

9:45 - 11:00 The Economic Implications - Dr. Dan Zakai, Senior Economist, Research Department, Bank of Israel.
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# Elections and the Peace Process

1:00 - 3:00 - Working Lunch. Jerusalem and the Electoral process: Teddy Kollek (Chair), Ruth Lapidot , Yehuda Blum, Mordechai Gazit.
Oriental Room, King David Hotel, Jerusalem.

3:30 - 5:00 - Where is Israel Politically? - Knesset Members, Dr. Amnon Rubenstein, Haim Ramon, Geulah Cohen and Benny Begin. Knesset Building.

5:15 - 6:15 - The Policy of the National Unity Government: Eliyakim Rubenstein, Cabinet Secretary.

Prime Minister's Bureau

8:00 Working Dinner, Foreign Minister Moshe Arens: Elections and the Peace Process.
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11:30- 12:45 Roundtable - Occupation and Elections: Can They Be Free? : State Attorney Dorit Beinish; Ephraim Sneh, former commander of the West Bank.
Private Room, Laromme Hotel, Jerusalem.

#### The Wider Context

1:00 - 3:00 Working Lunch: Asher Susser, Dayan Centre, Jordan and the PLO; Director, The Dayan centre, Itamar Rabinovich, Syria and the process; Shai Feldman, Jaffee Centre, Where do Elections lead us?
Private Room, Laromme Hotel, Jerusalem.

3:30 - 4:30 - Prime Minister Yitzhak Shamir: Elections, Interim Arrangements and Final Status. An Overview of the Shamir Plan. Prime Minister's Bureau

5:00 - 7:00 - American Ambassador, William Brown: An American perspective of the peace process.

Laromme Hotel, Jerusalem.

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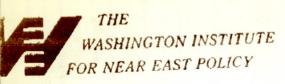
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Study Mission - June 25-30, 1989

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- Colonel Edward Cabaniss, Office of Net Assessment, Department of Defense
- Mr. Geoffrey Kemp. Carnegie Endowment for International Feace. Former NSC official in the Reagan Administration
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- Mr. Daniel Schorr, National Public Radio
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- Mr. Jackson Diehl. <u>The Washington Fost</u>, Israel Correspondent replacing Glenn Frankel
- Mr. Michael Rosenbaum, CBS News, Israel
- Dr. Martin Indyk, Executive Director. The Washington Institute
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(Correct as of May 30, 1989)

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# Territory for Peace? - Israel's Security Requirements

7:30 - 9:00 Working breakfast, Zeev Schiff, Defence Editor, Ha'aretz; Koret Fellow, the Washington Institute: - Israel's Minimal Security Requirements.

9:30 - Depart Herzlia or Sde Dov airfield for overflight of West Bank: The Topography of the Conflict.

10:15 Land Jerusalem Atarot Airfield

10:45 - 12:30 - Meet O.C. Central Command, General Amram Mitznah, at strategic overview point: The Strategic Dimensions of the Arab-Israel Conflict.

12:30 - 1:00 By the Allon Road to Jerusalem

# West Bank Palestinian Polity: A Status Report

1:00 - 3:00 Working Lunch. American Colony Hotel with editors of the West Bank press. The Intifadah: A Palestinian Perspective.

3:15 - 4:30 Roundtable discussion: The socio-economic impact of the intifadah with school principles, academics and representatives of the business community.

4:45 - 6:15 Current Palestinian Polity: An Overview - Feisal Husseini

8:00 Working Dinner: The Forces at Play, Ehud Ya'ari, Chief Mideast Correspondent, Israel Television; Visiting Fellow, The Washington Institute

Wednesday, June 28, 1989.

#### Israel Polity: A Status Report

8:00 - 9:30 Working Breakfast: The IDF, the Intifadah and Deterrence, Deputy Chief of Saff, General Ehud Barak.

9:45 - 11:00 Finance Minister Shimon Peres: The Labour Party and the Peace process.

11:15 - 12:45 Where is Israel Politically? - A roundtable of parliamentarians. Eliyahu Ben Elissar, Haim Ramon, Geulah Cohen and Amnon Rubenstein.

#### The Issue of Jerusalem

1:15 - 2:30 Jerusalem and the Electoral process: Teddy Kollek (Chair), Ruth Lapidot and Yehuda Blum.

2:30 - 4:00 Tour of Jerusalem with Mayor Kollek: A Re-divided City?

#### Elections and the Peace Process

4:30 - 5:30 The Policy of the National Unity Government: Eliyakim Rubenstein, Cabinet Secretary.

8:00 Working Dinner, Foreign Minister Moshe Arens: Elections and the Peace Process.

Thursday, June 29,

#### Elections, Can They Work?

8:00 - 9:30 Working Breakfast with Dr. Sari Nusseiba, Bir Zeit University: Elections can they work? - A Palestinian Perspective.

9:45 - 11:15 Elections, Can They Work? - An Israeli Perspective. Senior Political Advisor to the Foreign Minister, Sallai Meridor/ Shlomo Gazit, former head IDF Military Intelligence, Jaffee Centre for Strategic Studies.

11:30- 12:15 Roundtable - Occupation and Elections: Can They Be Free?: State Attorney Dorit Beinish / Head of the Palestinian Jornalist Association/ Head of the Israel Editors' Committee/ Ephraim Sneh, former commander of the West Bank.

1:00 - 2:30 Working Lunch - Prime Minister Yitzhak Shamir: Elections, Interim Arrangements and Final Status. An Overview of the Shamir Plan.

#### The Wider Context

3:00 - 4:30 Asher Susser, Dayan Centre, Jordan and the PLO; Director, The Dayan centre, Itamar Rabinovich, Syria and the process; Shai Feldman, Jaffee Centre, Where do Elections lead us?

5:00 - 7:00 Study Group Meeting for Initial Summing Up

8:00 Working Dinner: Justice Minister Dan Meridor. Elections-The Dilemmas.

Friday, June 30,

U.S. Participants Depart

File opy of 1.

## 1052 KANE CONCOURSE / MIAMI BEACH, FLORIDA 33154 / TELEPHONE: (305) 861-4982

May 25, 1989

President George Bush The White House Washington, D.C. 20510





Dear Sir:

I am disappointed in the Secretary of State's stand against Israel, our staunchest ally. The United States needs a strong Israel for its own well being.

If this is the continued policy of the White House, which can considerably weaken the State of Israel, my continued support of the Republic Party is wavering.

Very truly yours,

Lester H. Yavitz

cc: Secretary of State
Connie Mack
Republican Presidential Task Force

This is copy of letter I just word I suppost your Very truly yours Yester 21 yours

# HAMILTON

Advisory and Realty Services Licensed Real Estate Broker

משרד ראש הממשלה ירושלים

May 24, 1989

The Honorable James Baker Secretary of State 2201 C Street N.W. Washington, D.C. 20520



Dear Mr. Secretary:

I must agree with Prime Minister Shamir; your policy towards the Middle East is "useless". In all honesty, I must go one step further and call it useless appeasement of a Muslin civilization that will not accept Western standards of peace and co-existance.

Thank God, Israel is not Czechoslovakia and this is not 1938. Also, I sincerely hope you are not Neville Chamberlain.

For your edification may I suggest the following readings;

The Perils of a Palestinian State, Steven L. Spiegel, The New Republic, 4/10/89

Interdepencence in U.S.-Israeli Relations, Shmuel Katz, Global Affairs, Spring 1989

Winston S. Churchill, 1922-1939, Martin Gilbert, Chapters 47 and 48

Sincerely,

Michael Leinwand

President

MHL/jil

FT. LAWDERDAI 4-16-89 SUM-SENTIMAI 4-16-89

# Islamic world not playing by Western nations' rules

Your recent editorial castigating Israel for not acting with greater speed to find a solution for the riots in the West Bank shows a complete lack of understanding of the situation and an ignorance of Islamic civilization. You approach the situation with the usual lack of knowledge of Western leaders and media, who are totally without education in the realities of Muslim objectives and their methods of gaining their goals.

Israel is a modern Western nation. The remaining 22 nations of the Middle East are not. The Arab and Muslim world do not accept the principles of Western civilization

and laugh at the antics of the Western world. The West attempts to deal in the Middle East with acceptable Western terms. The Arabs and Muslims have a completely different set of rules and don't care if these are unacceptable to us.

Yes, Israel has made a mistake in the West Bank. The mistake is that Israel thinks of herself as a Western nation and acts according to outmoded Judaic-Christian teachings. These are not the rules of the game as played by Islam.

When will we learn?

MICHAEL LEINWAND Boca Raton The

\*\*\*

George Otis

FAXED @ 3:30 PM (Pacific Standard Time)

May 23, 1989

The Honorable President George Bush The White House 1600 Pennsylvania Avenue Washington DC 20500

Dear President Bush:

I am an American Gentile whose work has taken me to the Middle East over 200 times through the past  $25\,$  years.

Yesterday, your Secretary of State, James Baker, forcefully spoke into the Arab/Israel matter with appalling arrogance and ignorance. His arrogance we can abide, but his ignorance could seed an armageddon.

The surrounding enemies of Israel have a hundred times convincingly proclaimed their dedication to eliminate Israel which is their own final solution for the Jews. Is Secretary Baker so blind he does not see the fruits of Arab violence in a macabre showcase called Lebanon.

By what logic does Baker now pressure tiny Israel to return Judea and Samaria? Would that cure the Arab cancer of hate? Has he already forgotten that the Arabs started the present violence?

Please take a clear and firm stand when Israel is sorely threatened as she is today. If you line up with what is right, God will bless your presidency. I am for you, Mr. President.

Sincere

esident

Secretary of State, Mr. James Baker

GO/clc

President RACHEL D. TIMONER

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Yale Political Union

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משרד ראש הממשל

May 15, 1989

Prime Minister Yitzhak Shamir Prime Minister's Bureau Jerusalem ISRAEL,

Dear Prime Minister Shamir:

On behalf of the Yale Political Union, I have the honor of inviting you to speak at Yale this fall.

The Union was founded over fifty years ago by McGeorge and William Bundy in conjunction with Dean Acheson with the intention of providing a forum for student debate on pressing political issues. In 1965, then Union President, Senator John Kerry (D-MA), expanded the program by inviting leaders of national stature to either debate students, prominent Yale faculty or other guests, or to give a keynote address. Since that time, Union guests have included Ronald Reagan, Jimmy Carter, George Bush, George McGovern, Howard Baker, Arthur Laffer, Judy Goldsmith, William F. Buckley, and Wilson Goode. Recently, a cabinet officer described the Union as "the most prominent campus forum for political ideas in America."

A typical visit to the Union includes dinner at Mory's with the Union executive board, a keynoted debate on the Union floor or a speech format-whichever the guest prefers, and either a press conference or an informal reception with students following the meeting.

If you have any questions, I would be happy to answer them. Through September 3, you can best reach me at the address above or by phone at 203-773-1659. After that time, I can be reached at (203) 436-1154. I hope that you can join us this fall so that I may have the pleasure of welcoming you to Yale.

Kimberly A. Gulley Vice-President

The Economic Club of Detroit 920 Free Press Building, 321 W. Lafayette, Detroit, Michigan 48226-2755 Telephone: 313/963-854 בונוני Wesley R. Johnson President May 8, 1989 משרד ו ... הממשלו His Excellency Yitzhak Shamir m > 5 . 17 . Prime Minister of Israel 7 -5-89 Office of the Prime Minister Jerusalem, Israel מסי התיק (2-1) 0.28 Dear Mr. Prime Minister: The Economic Club of Detroit once again cordially invites you to be our honored guest and speaker at a luncheon or a dinner meeting of The Economic Club of Detroit on one of your future visits to the United States. We would very much like to schedule a meeting in your honor in the fall of 1989. The content of your speech would be entirely of choosing,

The content of your speech would be entirely of your choosing, however, our members would be very interested in hearing your views on the global economy and international affairs.

The Economic Club, which will begin its 56th season of meetings next September, normally meets on Monday at noon, however, we would be delighted to schedule a Special Meeting in your honor on any day that would meet with your approval.

As you are no doubt aware, His Excellency Shimon Peres addressed our Club on November 14,1986. Also, The Honorable Abba Eban was our guest speaker on two separate occasions.

You may be interested in some further information about The Economic Club. Our membership of approximately 4,000, represents the leadership of business, labor, academic, government professional communities of Greater Detroit. Enclosed is a copy of our most recent Annual lists our Board of Directors on page 22. are one of the largest and influential clubs of type and the nation's leading forum for discussion of public issues.

Prominent figures from every field, including President Ronald Reagan, President Jimmy Carter, Vice President George Bush, Dr. Henry Kissinger, His Excellency Giscard d'Estaing, The Honorable George Shultz, as well as The Right Reverend Desmond Tutu, have all spoken to the Club. Our speakers' topics have covered major events in world affairs, as well as important government, economic and social issues.

Our usual schedule begins with a news conference at 11:00 a.m., which is covered by radio, television, and the print media. In addition, our programs are frequently video taped for local cable stations and, on occasion, our programs are broadcast over the "C Span Network."

A reception for those who will be seated on the dais follows at 11:30 a.m., and we enter the ballroom for lunch at 12 noon. You will be introduced at 12:45 p.m. and will be expected to make your formal remarks in approximately 30 minutes. A question period usually follows, although this is not mandatory. Questions are written on cards by members of the audience and passed forward to the presiding officer to be read to the speaker. We adjourn promptly at 1:30 p.m.

It would be a great honor for us if you would find it possible to accept our invitation. We hope you will find it possible to come to Detroit this fall and address our membership at a luncheon or dinner meeting. We look forward to a favorable reply.

Sincerely,

Wesley Johnson

WRJ:vc Encl.

# The Economic Club of Detroit

Cordially Invites You to Hear

# The Honorable Richard Nixon Former President of the United States



THURSDAY
April 28, 1988
at 12:00 O'Clock Noon
Cobo Hall, Detroit

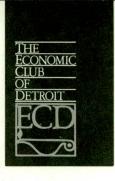
Subject "Gorbachev, America, and the Future"

Presiding

Max M. Fisher
Founding Chairman
Detroit Renaissance Corporation

Luncheon Tickets — Members and Spouses \$16.00 Guests \$18.50 NOTE:

You are urged to arrive early to obtain convenient parking.



# 1934 OUR 54th YEAR

RICHARD NIXON was born in Yorba Linda, California. He attended Whittier College and Duke University School of Law and then joined a law firm in Whittier, California. He and Patricia Ryan were married in 1940. They have two mildren and four grandchildren.

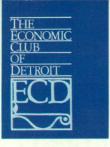
In 1942 Mr. Nixon applied for and received a Navy commission and was assigned to duty in the Pacific. He won a seat in the House of Representatives in 1946; after serving two terms, he was elected to the U.S. Senate. In 1952, General Eisenhower selected him as his running mate. He was Vice President for eight years. During the 1960s he practiced law and traveled extensively in Europe and Asia.

He was elected President in 1968 and won reelection in 1972 by a wide margin. While in office he met with Mao and Chou in the People's Republic of China; held three summit meetings with Soviet leader Brezhnev; ended American involvement in Vietnam and secured the release of U.S. prisoners of war; and pursued domestic initiatives ranging from Federal revenue-sharing to the peaceful desegregation of Southern public schools.

Since leaving office in 1974, President Nixon has traveled extensively throughout the United States and abroad. In late 1985 he undertook a month-long private t-finding trip, visiting China (for meetings with Chairman Deng and other top leaders), Japan, South Korea, Hong Kong, Singapore, Malaysia, Thailand, Burma, Pakistan, Turkey and Great Britain. The same year, he became the first former President in history to voluntarily give up Secret Service protection, thus saving the U.S. Government \$3 million a year. In 1986 he returned to the Soviet Union and met with Mikhail Gorbachev.

President Nixon has published seven books, including his memoirs (1978) and, most recently, 1999: Victory Without War (1988).

#### The Economic Club of Detroit





# Monday Noon, April 18, 1988 - COBO HALL



Their Majesties King Carl XVI Gustaf and Queen Silvia of Sweden

# Speaker Dr. Peter Wallenberg

Chairman
Federation of Swedish Industries
Chairman of the Board
Atlas Copco AB
First Vice Chairman of the Board
Skandinaviska Enskilda Banken

# Their Majesties King Carl XVI Gustaf and Queen Silvia of Sweden

will honor us with their presence at the meeting. Their 17-day visit to the United States commemorates the 350th anniversary of the landing in America of the first Swedish colonists, who, in 1638, anchored their ship "Kalmare Nyckel" on the shores of Delaware in search for a new land of opportunity.



Dr. Peter Wallenberg

Presiding Officer
Charles T. Fisher III
Chairman and President
National Bank of Detroit



King Carl XVI Gustaf and Queen Silvia

KING CARL XVI GUSTAF became Crown Prince of Sweden when his grandfather, King Gustaf VI Adolf, acceded to the throne in 1950. Following university schooling, the Crown Prince did his military service for two and a half years in the army, navy and air force. Concentrating mainly on his naval training, he passed the naval officer examination in 1968. After his military training, the Crown Prince attended the University of Uppsala.

During the succeeding years, the Crown Prince followed the work of central and local government, and studied the activities of Swedish industries, the Swedish State Church, the courts, the banks, the mass media, and labor and social welfare organizations. Immediately prior to ascending the throne, Crown Prince Carl

Gustaf followed the work of the government, the ministries and the Parliament (Riksdagen), while at the same time studying economics at the University of Stockholm.

The Crown Prince gained knowledge of international affairs by following the work of Sweden's Permanent Mission to the UN in New York, the Swedish International Development Authority in Africa, Hambro's Bank in London, and in 1970 he led the Swedish delegation to the 1970 World Exposition in Osaka.

King Carl XVI Gustaf acceded to the throne in September 1973 and declared that he had chosen as a motto: "For Sweden — in keeping with the times." On June 19, 1976, the King married Miss Silvia Sommerlath from the Federal Republic of Germany. The King and Queen have three children.

QUEEN SILVIA was born in Heidelberg, Germany. She spent the years 1946-57 in Brazil with her family, then returned to the Federal Republic of Germany where she took her university entrance examination in Dusseldorf in 1963. Miss Sommerlath entered the Munich School of Interpreting in 1965 and received a Diploma in Spanish in 1969. In the years prior to her marriage to the King, she worked at the Argentine Consulate in Munich, then later trained hostesses in the Organization Committee for the Olympic Games in Munich. In 1973, she was appointed assistant head of the Protocol Section in the Corresponding Committee for the 1976 Winter Olympics in Innsbruck, Austria. Since her marriage to the King, Queen Silvia keeps herself informed about issues of importance in Sweden, particularly those in the social and education fields.



Dr. Peter Wallenberg

DR. PETER WALLENBERG has served since 1974 as Chairman of the Board of Atlas Copco AB. He was first employed at Atlas Copco in 1953. During 1956-59, he was employed at Atlas Copco, Inc., USA. He then served as Managing Director of Atlas Copco's subsidiary in Rhodesia from 1959-62 and during the latter two years was Managing Director of the firm's subsidiary in the Congo.

Dr. Wallenberg served in senior management positions with Atlas Copco in England from 1962-67, and from 1968-70 he was Managing Director of Atlas Copco MCT AB. Immediately prior to being named Chairman of the Board of Atlas Copco AB, Dr. Wallenberg served from 1970-74 as Deputy Managing Director of the firm.

Since 1974, Dr. Wallenberg has served in various capacities with the Skandinaviska Enskilda Banken, first as Industrial Advisor until 1980; then as Vice Chairman of the Board from 1980-84; and since 1984 he has served as First Vice Chairman of the Board.

Dr. Wallenberg is Chairman of the Federation of Swedish Industries and Vice President of the International Chamber of Commerce (Paris). Among his directorships, he serves on the board of the Nobel Foundation and the Scandinavian Airlines System. He is a member of the Wharton Advisory Board, the University of Pennsylvania.

He was awarded a Bachelor of Laws at the University of Stockholm in 1953 and has since received an honorary doctor's degree from the Stockholm School of Economics as well as from Augustana College in Illinois. He has been decorated with The Order of Wasa (1974); Orden de Isabel la Catolica (1979); The King's Medal 12th Class (1983); and The Legion of Honor, Knight Commander (1987).

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HON. COLEMAN A. YOUNG, Mayor,

920 Detroit Free Press Building, Detroit, Michigan 48226-2755/Telephone: 313/963-8547

City of Detroit



More than 5,350 persons attended when former President Richard Nixon spoke.



1934



OUR 54th YEAR Their Majesties King Carl XVI Gustaf and Queen Silvia of Sweden



Senator Carl Levin opened the Club's 54th season.



Hon. James A. Baker III Secretary of the Treasury



His Excellency Han Xu, Ambassador to the United States from the People's Republic of China



Dr. Peter Wallenberg Chairman Atlas Copco AB Stockholm



Alvah H. Chapman, Jr. Knight-Ridder Chairman



Louis Harris Opinion Analyst



Austin H. Kiplinger Kiplinger President



ADM William J. Crowe, Jr. Chairman, Joint Chiefs



John S. Reed Citicorp Chairman



Owen Bieber, UAW President, and Douglas A. Fraser, former UAW President, who introduced him.



Hon. Edwin Meese III United States Attorney General

**ANNUAL REPORT 1987-88** 



THE ECONOMIC CLUB OF DETROIT

The object of the Club shall be to promote an interest in, and to enlighten its membership on, important governmental, economic and social issues.

Photo Credit: Joseph Polimeni, United Press International

# REPORT OF THE CHAIRMAN AND THE PRESIDENT

To Our Members:

At the conclusion of our 54th season, the economy is in its 6th year of steady growth. There are, however, some signs indicating slight increases in the inflation rate, rising interest rates, and some forecasts by leading economists of a mild recession and a slower expansion rate.

The most serious economic event of the year occurred on Black Monday, October 19, when the stock market fell 508 points.

Important factors affecting the economic outlook will be the November Presidential Election, the handling of the budget deficit, our balance of payments problems and trade legislation.

And, finally, the problem of drug enforcement has grown and will continue to be the major socio-economic problem for a long time to come.

Many of these events will be discussed in our meetings during the coming season.

Our membership continues to be strong, with an increase of 76 members from the prior year. Our average meeting attendance was 761 with a total of 29,690 members and guests attending our weekly programs.

#### THE PROGRAM YEAR

Our 1987-88 Program Year featured our own Senator Carl Levin, who was the kick-off speaker. The subject of his talk was — "The Next Few Months in Washington: Conflict or Consensus?"

Important speakers from high level government posts included — The Honorable Edwin Meese III, Attorney General of the United States, and The Honorable James A. Baker, III, Secretary of the Treasury.

Other important and timely speakers from the Administration included The Honorable Clayton K. Yeutter, Ambassador, United States Trade Representative; The Honorable T. Allan McArtor, Administrator, Federal Aviation Administration; and The Honorable Lawrence B. Gibbs, Commissioner of Internal Revenue, who spoke to the Club on Monday, April 11, just before the April 15 tax deadline.

Speaking on various aspects of the military, and the INF Agreement and Arms Control, were Ambassador Kenneth Adelman, Director, U.S. Arms Control and Disarmament Agency, and Lieutenant General James Abrahamson, USAF, Director, Strategic Defense Initiative Organization, who discussed "The Future of SDI."

Admiral William J. Crowe, Jr., USN, Chairman of the Joint Chiefs of Staff, spoke on future strategic imperatives.

We were also fortunate to have a number of our top business leaders address the Club on various topics of concern to business. Speakers included Robert S. Miller, Ir., Vice Chairman, Chrysler Corporation; Louis Harris, Louis Harris and Associates, Inc.; Richard E. Heckert, Chairman and Chief Executive Officer of the E. I. du Pont de Nemours & Company; Robert Anderson, Chairman and Chief Executive Officer, Rockwell International Corporation; Michael Ilitch, Chairman of the Board and President, Little Caesar's Enterprises, Inc., and Owner of the Detroit Red Wings; T. Boone Pickens, Jr., who returned for his second visit; and, in his first appearance, Herbert D. Kelleher, Chairman, President, and Chief Executive Officer of Southwest Airlines, who addressed the Club in a hangar at Detroit City Airport in a dedication ceremony with Mayor Coleman A. Young presiding.

We were very fortunate to have several leading economists address the Club during the year. Dr. Michael K. Evans, President, Evans Economics, Inc., spoke on "What Causes Inflation? Does It Matter or Not?"; Dr. Henry Kaufman, Chief Economist, Salomon Brothers, Inc., discussed "Financial Change and Volatility"; Dr. Arthur B. Laffer, Chairman, A.B. Laffer Associates, spoke on "The 1988 Outlook: Oh What Might Have Been."

Our 22nd Annual Economic Outlook Luncheon was held in cooperation with the Greater Detroit Chamber of Commerce featuring Kenneth A. Macke, Chairman and Chief Executive Officer, Dayton Hudson Corporation; Keith E. Crain, Vice Chairman, Crain Communications Inc; Thomas R. Ricketts, Chairman and President, Standard Federal Bank; and Fred J. Auch, Jr., President, Detroit Chapter, Associated General Contractors of America.



William P. Vititoe Chairman



Wesley R. Johnson President



The Economic Club Of Detroit 920 Free Press Building, 321 W. Lafayette, Detroit, Michigan 48226-2755 Telephone: 313/963-8547

Other panel programs included an Energy Panel featuring local executives Alfred R. Glancy III, Chairman and Chief Executive Officer, Michigan Consolidated Gas Company; Walter J. McCarthy, Jr., Chairman and Chief Executive Officer, Detroit Edison Company; and William T. McCormick, Jr., Chairman, President and Chief Executive Officer, Consumers Power Company.

In the field of health care, our panel featured Dr. Carol M. McCarthy, President, American Hospital Association, and Dr. James H. Sammons, Executive Vice President, American Medical Association.

Our media panel featured Paul Duke as Moderator, with Ellen Hume of the *Wall Street Journal*, and Charles McDowell of the *Richmond-Times Dispatch*, as participants in an Off-The-Air Version of "Washington Week in Review."

Also from the media we heard from Irving Kristol, Senior Fellow, American Enterprise Institute and Co-Editor of the *Public Interest* Magazine. Alvah Chapman, Jr., Chairman, Knight-Ridder, Inc., who spoke on "The Future of the *Free Press*"; Charles Z. Wick, Director of the U.S. Information Agency, who spoke on the subject "Public Diplomacy in the Global Marketplace of Ideas"; and, finally, we heard from Arnaud de Borchgrave, Editor-in-Chief, *The Washington Times*, who spoke on the subject "Can the United States Still Have a Foreign Policy?"

In foreign affairs, Ambassador Sol M. Linowitz, Senior Counsel, Coudert Brothers, spoke on the subject "Countdown in Nicaragua."

In connection with our joint luncheon for the 1988 International Freedom Festival, Sparky Anderson, Manager of the Detroit Tigers, and Jimy Williams, Manager of the Toronto Blue Jays, were presented with the 1988 International Friendship Awards.

From the financial world, we were pleased to present John S. Reed, Chairman and Chief Executive Officer, Citicorp, as well as William A. Schreyer, Chairman and Chief Executive Officer, Merrill Lynch & Co., Inc.

A labor viewpoint was presented by Owen Bieber, President, International Union, UAW, on the subject "After Reagan: The Economic Realities." Douglas Fraser, former President of the UAW, was the Presiding Officer on this occasion.

As one of the Democratic candidates for President, we heard from Congressman Richard A. Gephardt who presented his views on the major issues of our economy.

From abroad we were pleased to present several outstanding speakers, including Jackie Stewart, Champion Race Car Driver from Scotland, and Ambassador Han Xu, from the People's Republic of China, who gave a very important international address.

From Sweden, we were most honored to have as our guests, Their Majesties King Carl XVI Gustaf and Queen Silvia, together with an important address by Dr. Peter Wallenberg, Chairman, Federation of Swedish Industries.

Finally, The Honorable Richard Nixon, former President of the United States, attracted the largest audience of our program year and the third largest audience in the history of The Economic Club of Detroit. The title of his very important address was "Gorbachev, America, and the Future."

Once again, we were proud to continue our program of inviting high school and college students to our weekly luncheon meetings. The students participate in a question and answer session with the speaker. In this program year 1,581 students and 157 faculty members, including 128 Junior Achievement Members, attended as guests of our various sponsoring members.

Lawrence Institute of Technology continued its second year of videotaping our meetings. During the year, LIT produced 30 programs. In addition to the Southfield area, coverage was expanded to include 375,000 households, 10 times a week via the College Cable Channel, and another 15,000 households in the Grosse Pointe area 17 times a week, for a total of approximately 400,000 households.

It is with great sadness that we acknowlege the death of two of our directors, Wade H. McCree, Jr., and G. Mennen Williams. Both of them were long-time members and participants in the activities of the Club. They will be greatly missed.



G. Mennen Williams



Wade H. McCree, Jr.

Contributing greatly to the success of the Club are our Board of Directors, Officers, Operating Committees and loyal members who regularly attend meetings and support the activities of the Club.

We would also like to recognize the contribution of the Club staff. Don P. Luther, Senior Vice President and Executive Director, in his 39th year with the Club, continues to serve as an important member of the organization. Vivian Castanier is the Assistant to the President, assisted by Chris Shura and Judy Hensley, as Meeting Coordinators.

Next season, we will begin our 55th year. No doubt the single most important event coming up will be the Presidential election. We will do our best to bring you important speakers with their viewpoints on the election, along with programs on timely subjects in the fields of business, government, the economy and social issues.

As always, we welcome your comments and suggestions to make The Economic Club of Detroit even better.

tile WR /of

William P. Vititoe Chairman

Wesley R. Johnson President

# HIGHLIGHTS 5-Season Summary

	1983 1984	1984 1985	1985 1986	1986 1987	1987 1988
Membership	3,742	4,029	3,915	3,911	3,987
Number of Meetings	34	38	37	34	39
Average Meeting Attendance	852	943	963	917	761
Total Attendance	28,980	35,851	35,619	31,171	29,690

# GUEST SPEAKERS 1987-1988 SEASON



September 14, 1987
The Honorable
Carl Levin
United States
Senator from
Michigan
"The Next Few
Months in
Washington: Conflict
or Consensus?"



September 28, 1987
The Honorable
Kenneth L.
Adelman
Ambassador
Director
U.S. Arms Control
and Disarmament
Agency
''An Update on
Current Arms Control
Issues''



October 13, 1987 Charles Z. Wick Director United States Information Agency "Public Diplomacy in the Global Marketplace of Ideas"



September 21, 1987
The Honorable
Clayton K. Yeutter
Ambassador
United States Trade
Representative
'An Update on
International Trade
Policy'



October 5, 1987
Irving Kristol
Senior Fellow
American Enterprise
Institute
Co-Editor
The Public Interest
Magazine
"The Economy: Doing
Well, Feeling Awful"



October 19, 1987

Louis Harris

Public Opinion

Analyst

Louis Harris and

Associates, Inc.

"The Different Year
of 1988"

### GUEST SPEAKERS CONT.



October 26, 1987

David T. Kearns

Chairman and Chief
Executive Officer
Xerox Corporation

"Education Recovery:
Business Must Set the
Agenda"

An Open Letter to our
41st President



November 9, 1987
Lieutenant General
James A.
Abrahamson, USAF
Director
Strategic Defense
Initiative
Organization
"The Future of SDI"



November 23, 1987 **Arnaud de Borchgrave** Editor-in-Chief The Washington Times "Can the United States Still Have a Foreign Policy?"



November 2, 1987 Ambassador Sol M. Linowitz Senior Counsel Coudert Brothers Co-Chairman Inter-American Dialogue "Countdown in Nicaragua"



November 16, 1987
Richard E. Heckert
Chairman and Chief
Executive Officer
E.I. du Pont
de Nemours &
Company
"The Crash of '87:
A Timely Reminder
to Balance the Books"

November 30, 1987 1988 Economic Outlook (Panel Discusion)



Keith E. Crain Vice Chairman Crain Communications Inc



Thomas R.
Ricketts
Chairman of the
Board and President
Standard Federal
Bank



Kenneth A. Macke Chairman and Chief Executive Officer Dayton Hudson Corporation



His Excellency
Han Xu
Ambassador of the
People's Republic
of China to the
United States
"China - U.S.
Relations: Prospects
and Challenges"



Carol M. McCarthy, Ph.D., J.D. President American Hospital Association

December 14, 1987



January 11, 1988

Owen Bieber

President

International Union,

UAW

''After Reagan: The

''After Reagan: The Economic Realities''



Fred J. Auch, Jr.
President
George W. Auch
Company, and
President, Detroit
Chapter, Associated
General Contractors
of America



December 7, 1987
Robert Anderson
Chairman and Chief
Executive Officer
Rockwell
International
Corporation
''America in Space:
Does Anyone Care?''



James H. Sammons, M.D. Executive Vice President American Medical Association

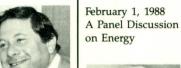


January 19, 1988
Robert S. Miller, Jr.
Vice Chairman
Chrysler
Corporation
"Remaking the
American Auto
Industry"

### **GUEST SPEAKERS** CONT.



January 25, 1988 Dr. Michael K. Evans President Evans Economics, Inc. "What Causes Inflation? Does It Matter or Not?"





Alfred R. Glancy III Chairman and Chief **Executive Officer** Michigan Consolidated Gas Company



February 8, 1988 William A. Schreyer Chairman and Chief **Executive Officer** Merrill Lynch & Co., Inc. "Financing America's Future: The Challenge of the 90's"



January 27, 1988 Alvah H. Chapman, Jr. Chairman of the Board Knight-Ridder, Inc. "The Future of the Detroit Free Press'



Walter J. McCarthy, Jr. Chairman and Chief **Executive Officer** The Detroit Edison Company



February 16, 1988 Dr. Arthur B. Laffer Founder and Chairman A. B. Laffer Associates "1988 Outlook: Oh What Might Have Been'



William T. McCormick, Jr. Chairman, President and Chief Executive Officer Consumers Power Company



February 22, 1988
Michael Ilitch
Chairman of the
Board and President
Little Caesar
Enterprises, Inc.
Owner
Detroit Red Wings
'Detroit — My
Hometown''



March 7, 1988

Austin H. Kiplinger
President
Kiplinger
Washington
Editors, Inc.
Editorial Chairman
Kiplinger Letters and
Changing Times
Magazine
'What's Ahead
Now?''





Paul Duke Moderator



Ellen Hume Wall Street Journal



Charles McDowell Richmond Times-Dispatch

''Outlook for 1988 — An Election Perspective''



March 24, 1988
The Honorable
Richard A.
Gephardt
Democratic
Candidate for
President of the
United States
Congressman from
the 3rd District
of Missouri



March 28, 1988
The Honorable
T. Allan McArtor
Administrator
Federal Aviation
Administration
"What We Need Is:
More Thrust and
Less Drag"



February 29, 1988

Dr. Henry Kaufman

Managing Director,

Member of the

Executive Committee

and Chief Economist

Salomon Brothers

Inc.

''Financial Change and Volatility''



March 16, 1988

John S. Reed

Chairman and Chief
Executive Officer
Citicorp, and
Citibank, N.A.

## GUEST SPEAKERS CONT.



April 11, 1988
The Honorable
Lawrence B. Gibbs
Commissioner of
Internal Revenue
"Lessons Learned in
the 1988 Tax Filing
Season — For
Taxpayers and the
Internal Revenue
Service"



Their Majesties King Carl XVI Gustaf and Queen Silvia of Sweden honored us with their presence at this meeting and the King extended greetings on behalf of his country. The visit of Their Majesties to the United States commemorated the 350th anniversary of the landing in America of the first Swedish colonists.



April 25, 1988 The Honorable Edwin Meese III Attorney General of the United States



April 28, 1988
The Honorable
Richard Nixon
Former President of
the United States
"Gorbachev, America,
and the Future"



April 18, 1988 Dr. Peter Wallenberg Chairman Federation of Swedish Industries Chairman of the Board Atlas Copco AB First Vice Chairman of the Board Skandinaviska Enskilda Banken "Today's Swedish Industry in a Global Context"



May 2, 1988 T. Boone Pickens, Jr. General Partner Mesa Limited Partnership Chairman United Shareholders Association "The Continuing Struggle to Restore Management Accountability and Competitiveness in Corporate America''





May 9, 1988 The Honorable James A. Baker, III Secretary of the Treasury "A Community of Generations: Generational Politics in Harmony"



May 18, 1988 Admiral William J. Crowe, Jr., USN Chairman Joint Chiefs of Staff "Future Strategic Imperatives"



June 13, 1988 **Jackie Stewart** Former World Champion Race Driver Product Consultant to Ford Motor Company Auto Racing Television Commentator "The World Challenge''

June 17, 1988 International Freedom Festival Friendship Award Luncheon



Sparky Anderson Manager **Detroit Tigers** 



Jimy Williams Manager Toronto Blue Jays



June 27, 1988 Herbert D. Kelleher Chairman, President and Chief Executive Officer Southwest Airlines Co.

# STUDENT OUTREACH PROGRAMS

During the 1987-88 season, 143 companies, organizations and individual members served as hosts at luncheon meetings to tables of students from the high schools, colleges and universities of Michigan. A total of 1,581 students nd 157 faculty embers met and heard our distinguished guest speakers.

Through Gregory W. Ulferts, College and University Chairman, 900 university students and 100 faculty members met and heard our distinguished guest speakers.

The Business/
Education Alliance
arranged the
attendance of 360
high school
students and 40
faculty members,
under the

ractiny members, under the pervision of arlene Williams, Program Director. Also, 128 members of Junior Achievement of Southeastern Michigan were sponsored at our meetings. William A. Raymond, Chairman of Junior Achievement,

arranged for the participation of these young entrepreneurs who operate miniature corporations, producing and selling their products and services for a profit.

#### Hosts to High School, College and University Students

- A.Z. Shmina & Sons Company
- AAA of Michigan
- Alexander & Alexander of Michigan
- Amerisure Companies
- Ammerman Family
- Arthur Andersen
   & Company
- Associated General Contractors
- Atlas Copco Industrial Tools Inc.
- Avenir Group, Inc.
- N. W. Ayer
- Terry Barr Sales
- H. L. Blachford, Inc.
- Blue Cross/Blue Shield of Michigan
- Bozell, Jacobs, Kenyon & Eckhardt
- Bundy Corporation
- Cadillac Motor Car Company
- Campbell/Manix Inc.

- Canadian
   Consulate
- Chrysler Motors
- Clark, Klein & Beaumont
- Consumers
   Power Company
- Coopers & Lybrand
- Copper & Brass Sales, Inc.
- DDB Needham Worldwide
- Stanley R. Day
- A. G. de Lorenzo
   & Associates, Inc.
- Detroit Edison Company
- Detroit Science Center
- William R. Diem III
- Herbert Doan
- Dorsey Business Schools
- Du Pont Company
- Eames, Wilcox, Mastej and Bryant
- Eastern Michigan University
- James C. Eckmeter
- Evans Industries, Inc.
- Exxon Chemical
- First Independence National Bank
- Max M. Fisher
- Ford Aerospace & Communications Corp.
- Anthony M.
   Franco, Inc.
- General Dynamics, Land Systems Division
- Mrs. Louis C. Goad
- Great Lakes Gas Transmission Company

- Griffith, E.R.A. Realty
- Group 234, Inc.
- Hartwood Associates
- Health Alliance Plan
- Larry L. Herb
- International Union, UAW
- George and Nancy Jackson
- Johnson & Higgins
- K mart
- CorporationAlbert Kahn
- Associates, Inc.
   Kasle Steel
- CorporationBarbara Keller
- Nancy Keuffel
- Donald Klokkenga
- Lamb TechniconLear Siegler
- Holdings Corporation
- Letts Industries, Inc.
- Lintas:
- Campbell-Ewald
- Ludington News Company
- Maccabees Mutual Life Insurance Company
- Manufacturers National Bank
- Marsh & McLennan
- Walter Mason
- Ross MaxwellMcGraw
- Commercial Equipment Company
- Menlo Tool Company
- Mercy Hospital & Health Care Centers of Detroit

- Metric Medical Laboratories
- Michigan Bell Telephone Company
- Michigan Education Council
- Michigan National Bank
- Michigan National Corporation
- Michigan Retailers Association
- Kirk W. Miner
- Morley Candy Makers
- Motorola CorporationMultifastener
- Multifastener
   Corporation
- National Bank of Detroit
- Naval Reserve Officers' Association
- New Detroit
- Oakland Community College
- Olsonite
   Corporation
- Parker & Parker
- Peat, Marwick, Main & Co.
- Providence Hospital
- Quasar Industries, Inc.
- Ray Electric Company
- Reaume and Dodds Management Company
- Resource Management Corporation
- Rockwell International Corporation

- Ross Roy, Inc.
- S L Corporation
- Sachs, Nunn, Kates, Kadushin, O'Hare, Helveston &
- Waldman, P.C.

   Joan Sankovich
- Schlussel, Lifton, Simon, Rands, Galvin & Jackier
- Seidman & Seidman
- Bob Sellers
- Pontiac
   Smith,
  Hinchman &
- Grylls Associates
   Standard Federal
  Bank
- State Farm Insurance Company
- Sterling Engineered
- ProductsStroh BreweryCompany
- TRW Steering & Suspension Division
- Talon Inc.
- Tamaroff Buick Honda
- Alfred Taubman
- 3M Company
- Tillinghast Reid
   & Company
- Touche, Ross & Co.
- UAW-G.M. Human Resources Center
- United Technologies
- University of Michigan, Dearborn
- Unocal 76
- Vickers, Inc.

# Hosts To Junior Achievement Members

- Blue Cross/Blue Shield of Michigan
- Canteen Company
- Comerica Incorporated
- Coopers & Lybrand
- Crowley, Milner
   & Company
- Eaton
- CorporationEisbrenner, RayD. & Company
- Federal Mogul Corporation
- Florists'
   Transworld
   Delivery
   Association
- General Motors Corporation
- Frank B. Hall & Company of Michigan
- R. P. Scherer Corporation
- S. I. Company
- WJBK-TV

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John B. Weaver, Chairman William G. Butler Edward P. Frohlich The members of the nine standing committees of the Club comprise the Advisory Committee, which meets annually to hear the reports of all standing committees, and of the President. Thereafter it reports to the **Board of Directors** regarding the affairs of the Club.

#### MEMBERS 30 YEARS OR MORE

(1934) Founders Raymond C. Smith Sigurd R. Wendin

(Joined in 1935) George R. Berkaw, Jr.

Raymond T. Perring (Joined in 1936) L. V. Griem I. A. Mullen

(Joined in 1937) Miles M. O'Brien

(Joined in 1938) H. G. Bixby ederick G. L. Huetwell

(Joined in 1939) Emanuel J. Harris Royal A. Oppenheim Walter J. L. Ray

(Joined in 1940) Charles R. Beltz Edgar B. Galloway Hon. George Romney

(Joined in 1941) William N.

Genematas Eldred H. Scott Frank J. Wilton

(Joined in 1942) E. O. George C. J. Ghesquiere

Frederick G. Weed (Joined in 1943) W. Ralph Hileman William Peattie

Jervis C. Webb pined in 1944) C. H. Higgins

(Joined in 1945) Marvin R. Anderson John F. Wagner

(Joined in 1946) Walker L. Cisler

(Joined in 1947) Andrew W. Barr Edward L. Cushman William T. Gossett Allen M. Lomax (Joined in 1948) Thomas L. Harris Howard A. Hayden Frank W. Howland

(Joined in 1949)
Palmer T. Heenan
W. K. Lomason
C. A. Parcells, Jr.
Robert B. Semple

(Joined in 1950)

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(Joined in 1951)
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J. J. Trebilcott
Dr. J. Philip Wernette

(Joined in 1952) Richard E. Cross Dr. Mark L. Kahn Gordon W. Lamphere James C. Stewart Russel A. Swaney Lynn A. Townsend Gerald E. Warren Harrison W. Wilder

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C. M. Boutell
R. B. Evans
Dr. Richard C. Hertz
Orville B. Lefko
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Donald R. Mandich
William H. O'Brien
Louis M. Randall, Ir.

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(Joined in 1956)
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Wilber M. Brucker, Jr.
Malcolm L. Denise
Max M. Fisher
Joseph L. Hudson, Jr.
Ray J. Lynch
Robert M. Surdam
A. Alfred Taubman

(Joined in 1957) Hon. Richard H.

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de Lorenzo Henry C. Johnson James H. Kurtz John H. Marten Theodore H. Mecke, Jr.

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Manuel J. Moroun
Ralph J. Osborne
Paul D. Richmond
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Ir.

Clifford N. Wright

(Joined in 1958)

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Jr.
James A. Sellgren
Russel A. Swaney
A. Alfred Taubman
John B. Weaver
H. Martin Westfall

#### **MEMBERSHIP**

Membership in The Economic Club of Detroit is open to everyone who shares the Club's interest in promoting discussion and debate on the great issues of our times. Men and women from every sphere of activity are invited to hear the views of the distinguished (and sometimes controversial) leaders who address our regular meetings, to participate in our study tours abroad and to attend the special seminars that we sponsor periodically.

The Club's weekly luncheons — Mondays from Labor Day to Memorial Day — afford members an opportunity to meet informally with their contemporaries in business, education, labor, government and the professions. Thus, the Club serves not only as a forum for current events discussion but as a meeting place for present and future leaders of the community.

Complete information about the Club and the privileges of membership may be obtained by calling our offices at 313-963-8547.

#### ANNUAL DUES (Tax Deductible)

Regular Membership

1. galar Wembership \$100.00
Associate Membership \$ 75.00
(Clergymen, educators, government
officials, employees of non-profit

#100 OO

officials, employees of non-profit organizations and persons over 60 years of age who have retired from full-time employment)

Junior Membership ...... \$ 75.00 (Persons under 36 years of age)

Non-Resident Membership . . . . . . \$ 75.00 (Persons who live and work beyond 30 miles from the City of Detroit)

Sustaining Membership . . . . . . . \$250.00 Available to all who wish to provide additional financial support for the Club's activities

#### PARTIAL LIST OF SPEAKERS

PRIOR TO 1987-1988 SEASON

Among the speakers who have addressed 1,827 General Members' Meetings of The Economic Club of Detroit during the 53 years prior to the 1987-1988 season ave been the following:

Giovanni Agnelli **Jack Anderson** Hon. Howard H. Baker, Ir. Hon. Malcolm **Baldrige** Stephen D. Bechtel, Jr. H.R.H. Prince Bernhard Hon. James Blanchard W. Michael Blumenthal Tom Brokaw Benjamin C. Bradlee Dr. Zbigniew Brzezinski Hon. George Bush Hon. Jimmy Carter Madame Chiang Kai-shek Walter Cronkite His Eminence John Cardinal Dearden Valery Giscard d'Estaing Hon. Anatoly F. Dobrynin Hon, Elizabeth H. Dole Phil Donahue Hon. Abba Eban Malcolm Forbes Betty Ford Hon, Gerald R. Ford Dr. Milton Friedman I. Peter Grace The Reverend Billy Graham Katharine Graham Gerald Greenwald General Alexander M. Haig, Jr., USA (Ret.) Dr. Benjamin L. Hooks The Reverend Jesse L. Jackson

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Donald E. Petersen John J. Phelan, Jr. Harold A. Poling Dan Rather Hon, Ronald Reagan Donald T. Regan Iames B. Reston David Rockefeller David M. Roderick Hon. George Romney Pete Rozelle Dr. Charles L. Schultze Dr. Martha Seger Roger B. Smith Arthur Ochs Sulzberger Adm. Stansfield Turner, USN R.E. "Ted" Turner The Right Reverend Desmond Tutu Hon Al Illman Barbara Walters William H. Webster George Will Hon. Leonard Woodcock Hon, Coleman A. Young



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Professor, Oakland University Managing Director Karl D. Gregory & Associates

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Chief Executive Officer Renaissance Center Venture

Vice-President

M. Jane Kay

Vice-President — Administration The Detroit Edison Company

Vice-President

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William A. Schreyer Merrill Lynch Chief



Dr. Arthur B. Laffer



Dr. Henry Kaufman Economist



Dr. Michael K. Evans Economist







Panel Discussion on Energy: I. to r. — Walter J. McCarthy, Jr., Chairman, The Detroit Edison Company; William T. McCormick, Jr., Chairman and President, Consumers Power Company; and Alfred R. Glancy III, Chairman, Michigan Consolidated Gas Company.



Robert S. Miller, Jr. Chrysler Vice Chairman



Herbert D. Kelleher Chairman and President Southwest Airlines



A Dialogue on Health Care: I. to r. — Dr. Carol M. McCarthy, President, American Hospital Association; and Dr. James H. Sammons, Executive Vice President, American Medical Association.



Lieutenant General James A. Abrahamson Director Strategic Defense Initiative



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JERUSALEM OFFICE Old City, Jerusalem

P.O.Box 14149

820(1-2)





March 20, 1989

Prime Minister, Mr. Yitzchak Shamir Misrad Rosh Hamemshala Hakirya, Jerusalem ISRAEL

Dear Mr. Shamir,

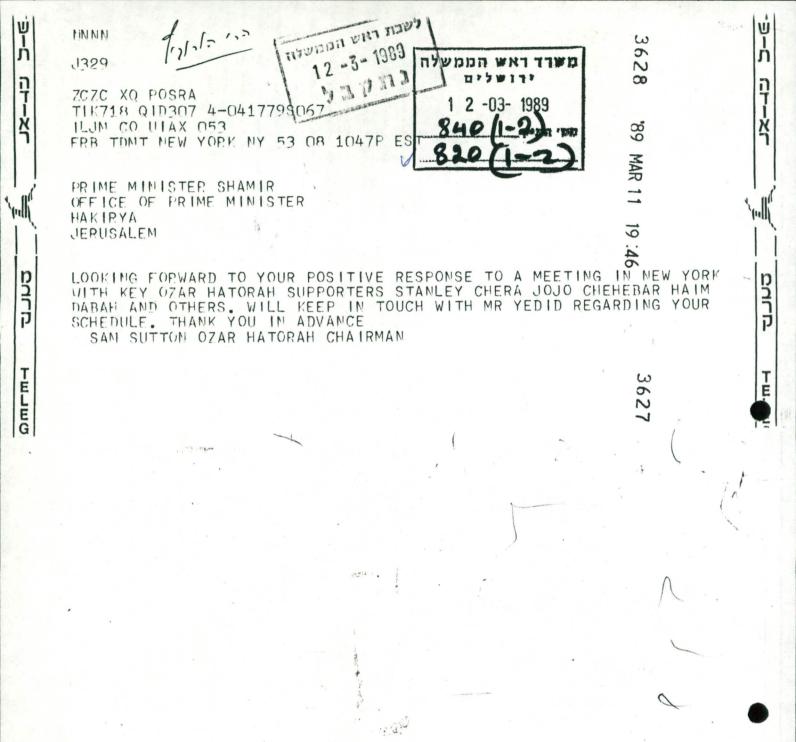
For the past four years my colleague, Senator Arlen Specter and I have served as Honorary Chairmen of the Jerusalem Fellowships program. This unique program has exposed over two hundred and fifty North American college students to the full flavor of Israeli society. These students, the next generation of North American Jewish leadership, return to their homes with an abiding commitment to Israel. Graduates of the Jerusalem Fellowships program are already making a difference on several major college campuses.

This year's Jerusalem Fellows will be in Israel from June 21 through August 7, 1989. I am pleased to invite you to meet with the Fellows and hope you will be able to join in assisting this exciting undertaking. The Jerusalem Fellowship office will be in touch with your office to explore possible dates and formats for such a meeting.

With my best wishes.

Sincerely,

Daniel Patrick Moynihan



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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

משרד ראש הממשלה ירושלים - 9 -03 - 1989 מסי חתיק (1-2) 820

Buson





Prime Minister Yitzhak Shamir Knessetalumbia Ave. Jerusalem, Israel

10 10 1 110 JE JA

Dear Prime Minister Yitzhak:

Just a note to express my appreciation for your friendship and for your nice card congratulating me upon my appointment as Secretary of Housing and Urban Development by President Bush.

I am really looking forward to working on some of the critical issues facing our nation, and especially our inner cities. I hope you'll give me the benefit of your advice and counsel.

Joanne joins me in serding our warmest best wishes.

Jack Kemp

Lit was an hour to

git you note I as always

you can count on my drinklyis,

Supports & interest in US I chant studyis

Matinilys. And noir ax HUO, I hope we can

forge wen better economic growth opportunities.

Schlom, Scholom

965-5189



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fish.

Feb. 24, 1989

pse achrowles

משרד ראש הממשלה ירושלים - 8 -03 - 1989 משי התיק (ב-1)

Hon. Yitzhak Shamir Prime Minister of Israel The Knesset Jerusalem Israel

Dear Mr. Shamir:

As you may know, Arthur Koll is Counsul for Israel in Atlanta, Georgia. His responsibilities include proper servicing of our community on behalf of Israel.

In that connection, I want you to know of the outstanding job Mr. Koll is doing. He visited Charleston recently and met with a number of groups and organizations. His message and demeanor on behalf of Israel was clear, cogent and convincing.

Israel and the Jewish Communities served by Mr. Koll are very fortunate to have his able representation. He is truly a mensch.

Sincerely,

Ellis I. Kahn President

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טז אדר א' תשמ"ט 1989 בפברואר 21

() Vit

אדרך נכבד,

שמענר אתמרל (20.2.89) בחדשות ה – 6 % ממנהיג אש"ף מר יאסר ערפת התראיין בטלריזיה האמריקאית ראמר כמר מר אנראר סדאת , שהרא יהיה מרכן גם כן לדבר איתך באמצעות כתב הטלריזיה האמריקאית.

לפי דעתי ביטריים אלה ישפיער על הארכלוסיה האמריקאית הנאיבית רתגרום להם להאמיך שלאדם זה כוונות טרבות ומתחנך לעולם שיתנו לו הזדמנות להוכיח את כוונותיו.

לפי דעתי תגובתך ל"משחק" האחרון ע"י מנהיג אש"ף צריכה להיות בכך שתהיה מוכן לפגוש אותו רק בבית משפט בן-לאומי לעבירות פליליות, כאשר הוא עומד בדוכך הנאשמים על רצח וכוונות לרצוח קטינים ולחטוף אנשים חפים מפשע, כאשר אתה עומד בתור קטגור.

בכבוד רב,

בן - ציון אברהם

שד' ירושלים 15/1 בייש

Jerusalem, February 20, 1989. 362-7

Dear Ivan,

I am grateful to you for your letter of January 30, and for your warm words of congratulation on my re-election as Prime Minister.

I chose the path of a government of unity because of the grave problems we face in the international arena, and because of the internal differences and divisions within the Jewish people. Both these matters demand a united leadership in Israel, so that we should speak with one voice to the outside world in response to the PLO deception, and at the same time rally and unify all elements of the Jewish people.

We expect the Jewish communities around the world to stand with Israel in solidarity and maximum support.

Yours sincerely,

Yitzhak Shamir

Mr. Ivan J. Novick 1205 Inverness Avenue Pittsburgh, Pennsylvania 15217 U S A IVAN J. NOVICK
1205 INVERNESS AVENUE
PITTSBURGH, PENNSYLVANIA 15217



January 30, 1989

111:1- (11:1: 1:)

Mr. Yitzhak Shamir Prime Minister of Israel Jerusalem, Israel

Dear Mr. Prime Minister:

Let me take this opportunity to congratulate you upon once again assuming the position of Prime Minister of Israel.

You will face many challenges in the months ahead, but please know that your friends wish you good health and every success in all your endeavors.

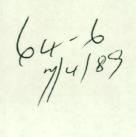
Your good friend,

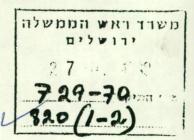
Ivan J. Novick

IJN:jr

משרד ראש הממשלה ירושלים - 02- 1989 מסי התיק (2-1)







February 14, 1989

The Honorable Zitzhak Shamir Prime Minister Prime Ministry Office Jerusalem, ISRAEL

Dear Prime Minister:

Following a report dated July 7, 1988, relating the procedures used in controlling the problems with dogs and cats in Israel by the indiscriminate use of strychnine, I was extremely pleased and relieved to receive a bulletin dated December 8, 1988, which informed me that the Minister of Health had granted permission for trained personnel at animal shelters and pounds to administer sodium pentobarbitol injections. Thank you for making this giant progressive step possible.

I am sure you are aware that all Humane Societies and Societies for the Prevention of Cruelty to Animals oppose the use of strychnine because it results in such an inhumane death. It is hoped that animal shelters will be established in order that the Veterinary Ministry can also stop the use of strychnine by municipal workers to control animals in the street. Strychnine is such a nonselective poison that it could easily kill any hungry child or any other innocent. Perhaps the Veterinary Ministry could increase their innoculation programs and thus improve rabies control.

We look forward to Israel aligning their nation with the other numerous nations of the world who support the humane treatment of all animal life as well as human life.

Sincerely yours,

RICHARD\WARD | Executive Director

RW: bma

Office of Alexander M. Haig, Jr. (1) ok./

February 10, 1989

Mr. Z.H. Hurwitz Adviser to the Prime Minister Prime Minister's Bureau Jerusalem Israel 820(1-2)

Dear Mr. Hurwitz:

How thoughtful you were to provide me with a copy of Prime Minister Shamir's presentation to the Knesset on December 22, 1988. I am proud to be included in the presentation, along with President Reagan, President-elect Bush and former Secretary of State Shultz. Please express my appreciation to the Prime Minister for his sentiments.

I am glad to see that you are being constructively utilized by your government and especially my old friend, the Prime Minister.

Thank you again for your thoughtfulness and very best wishes for every success.

Sincerely,

Ced Haig



Telex 3712957 Earth Rescue

10th February, 1989

משרד ראש הממשלה ידושלים

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His Excellency Yitzhak Shamir Prime Minister Jerusalem, Israel

Your Excellency, Prime Minister Shamir:

We wish to report a successful first meeting of the Preparatory Committee for the World Constituent Assembly, which is to convene at the end of 1990. We mentioned this meeting to you in our previous letters appealing for World Patriots, under dates of July 5, August 18, and September 1, 1988. The meeting was held in the Sky Garden room of the St. Moritz Hotel in New York, on 19 and 20th November, 1988.

A feature of the meeting was a special luncheon on November 19, attended by the United Nations Ambassadors or Deputy Ambassadors for twenty countries. At the luncheon, the plan for the World Constituent Assembly to convene near the end of 1990 was fully explained, and the draft of the Constitution for the Federation of Earth was given to each one present. Special emphasis was given to the problem of global climate change. A report on this first meeting of the Preparatory Committee was later sent to the Ambassadors at the United Nations of all countries, including yours.

In this fourth letter to Heads of Governments, appealing for action by World Patriots, we wish to give particular attention to the problem of climate change, which has been widely publicized during the past two years. Contrary to most warming predictions, however, there are very good reasons, as well as extensive scientific documentation and reports in the news, to believe that a different scenario is most likely, and therefore different strategy required to deal with the problem.

First, we will summarize the most likely sequence of events, and then analyze the situation in greater detail:

The much reported slight increase in average global temperature means very little. Any scientist should suspect gross error when basing predictions on the averaging of extremely variable temperatures of different latitudes. Rather than a general global warming, there is already evident and documented both a warming at lower latitudes and a cooling at higher latitudes. The cooling originates from increased cloud cover because of moisture-laden air moving polewards. The sun's rays will not get down long enough to melt the ice caps. The sea levels are not likely to rise. Lowlands are not likely to get flooded. Grain growing and agricultural production cannot shift to higher latitudes because increased snow cover and shorter growing seasons will make crop failures more and more certain.

In fact, agricultural production will become more and more difficult almost everywhere. This is already happening, not only in drought-stricken lower latitudes but also extending to mid latitudes and even higher latitudes. Most of the people of Earth may soon face starvation.

Meanwhile, hurricanes, tornadoes, typhoons, and torrential floods will increase dramatically. So will forest fires, volcanic eruptions, and earthquakes. This is already beginning. Hundreds of millions and then billions of people will be seeking safe places to escape and grow food, but there will be no escape. Not unless very massive corrective measures are taken very rapidly on a global scale.

Let us go over this scenario of probable events in more detail:

- Increase of carbon dioxide in the atmosphere, along with other "greenhouse" gases, is already trapping more of the sun's heat. Almost everyone agrees on this.
- At lower latitudes, the warmer air absorbs more moisture from the oceans and from the land. Drought is the result on land, and will likely continue and spread, despite occasional heavy rains.
- By the normal convection currents of air on Earth, the warmer moisture-laden air from lower latitudes will move polewards, as cooler air simultaneously pushes down from the higher latitudes.
- When reaching the cooler higher latitudes, the moisture in the air will condense and form cloud cover. The cloud cover will continue for longer periods of time, together with sporadic rains and flooding, at first. This is already happening.
- The sun's rays will not get down to Earth to warm things up and melt the ice caps. The ice caps will not melt. The sea level will not rise.
- With long periods of cloud cover, rain will turn to snow, particularly in wintertime.
   The snow will last longer and will extend over more territory, as already reported in the newspapers.
- Extended snow cover will cause an albedo effect, reflecting more of the sun's limited heat, and increasing the cooling trend. This is already happening.
- Because of cloud cover at higher latitudes, the oceans will also get cooler. Ice packs
  will freeze over sooner and last longer, trapping whales and boats, as already reported
  in the news.
- The higher latitudes with more snow cover and less sunlight will become progressively cooler. This is already happening.
- Crop failures will increase at higher latitudes because of longer winters, shorter growing seasons, late frosts, and early freezes. This is already happening.
- While winters will get colder at higher latitudes, at the same time summers will
  continue very hot at lower latitudes, with drought continuing and spreading. Recordbreaking cold and record-breaking heat will occur during the same year, as already
  reported in the news for the past several years.
- Meanwhile, because of increasing temperature differentials between lower and higher latitudes, the air movements and weather will become more and more turbulent and unpredictable.

- Hurricanes, typhoons, and tropical storms will increase in number and violence in the sub-tropical but widening hurricane belt. Extreme damage, loss of homes, loss of crops, and loss of life will increase, as already evident.
- Tornadoes will increase greatly in the mid latitudes, as well as high winds, as already reported in the news. The hundred-mile-an-hour jet streams may soon begin to touch down.
- At the same time, the forests and brush lands of Earth will catch on fire more frequently. This is already happening. Drought and high winds will spread the fires, which will release more carbon dioxide in the atmosphere.
- At the same time, cold air will push farther to the lower latitudes. Late frosts and early freezes will increase. Frost and snow will occur where never before, as already reported in the news.
- Drought may sometimes be mixed with sudden storms and floods, but they will be of little help for agriculture.
- Agricultural production will become more and more uncertain. Crop failures will
  increase, as already reported in the news. The former breadbaskets of the world
  will not be able to produce enough for local populations, even with diet changes.
  Food exports will cease. Food shortages will become universal.
- Soon, very soon, most people on Earth may not get enough to eat. Soon, dramatically soon, hundreds of millions of people may face starvation. Then, shortly, billions of people.
- Meanwhile, as snowfall continues at higher latitudes, the snow will turn to ice, and both snow and ice will accumulate over larger areas. Glaciers will begin to advance. Most glaciers at high latitudes are already starting to advance, as reported in the news.
- As the snow and ice deepens, it will become heavy. This growing weight will put pressure on Earth's tectonic release points and fissures, and the faults where continental plates impinge on each other.
- Volcanoes will begin to erupt more frequently because of this pressure. They are already doing so. Earthquakes will become more frequent and violent. Read all about it in the daily news.
- Erupting volcanoes will emit great amounts of carbon dioxide into the atmosphere, and will also spread smoke and dust over wide areas, thus reducing the amount of sunlight reaching earth.
- By this time, rapid descent into the next ice age will be irreversible, if not long before. The ice age will probably last about 90,000 years, the same as previous ice ages.
- Although civilization will be mostly destroyed, a few million people may survive to begin again, provided nuclear weapons are not exploded also during the turbulence of the next two decades.
- It may be noted that with the increasing snow and ice, vast amounts of water absorbed from the oceans will be stored in snow and glaciers. The sea levels will then recede, not get higher.

#### CAN THE PROCESS SUMMARIZED ABOVE BE HALTED AND REVERSED?

#### POSSIBLY.

But first, if action is to be taken in time to halt and reverse the sequence of events before it has reached the point of no return, then it is necessary to understand more about the basic causes.

The over-riding fact and pervasive course of nature is that Earth is now at the end of the current inter-glacial period. Inter-glacial periods during the past million years have lasted about 10,000 or 12,000 years, followed by ice ages of about 90,000 years. This is fact, not theory. All that we know of civilization, all of the wonderful accomplishments of humanity, as well as all of the tragedies and mistakes, have taken place during this last inter-glacial period.

A major reason for the end of inter-glacial periods appears to be the fact that trace minerals in the top soil become exhausted. The micro-organisms which convert trace minerals to forms which trees and plant life can use disappear. The forests become unhealthy and weak, and then die or burn, thus releasing great quantities of carbon dioxide into the atmosphere. The "greenhouse" effect may be understood as a natural cyclical process of nature, following the sequence of events outlined above about every 100,000 years.

During the 90,000 years of the ice age, the glaciers grind up billions of tons of rocks into fine particles. The volcanoes spew forth billions of tons of ashes and mineral dust. The high winds carry and spread this mineral dust over the entire Earth — similar to the manner in which the flooding of the Nile River has replenished the mineral fertility of its delta lowlands for ages. Gradually the micro-organisms recover and multiply and convert the new mineral dust into forms which can be absorbed and used in healthy tree and plant growth. Gradually the forest growth recovers and spreads, and re-absorbs the excess carbon dioxide from the atmosphere. The carbon is stored in tree growth, and oxygen released. Then a new inter-glacial period of lush growth and life will ensue.

Near the end of this current inter-glacial period, however, a new factor has entered: Certain human activities which disrupt the climate. Without realizing what was happening, humans have been doing several things to precipitate the end of the interglacial period which they have enjoyed for the last several thousand years.

During the past few hundred years, humans have been cutting and burning and destroying the forests of Earth at a terrific rate, thus releasing much carbon dioxide into the atmosphere. Forests and trees are being cut down many times faster than regeneration for many reasons: to clear land for agriculture to feed growing populations, and for cash crops to earn foreign exchange to pay the interest on debts; as a major source of fuel in many countries; for paper making, housing, plywoods, and many other products, all to supply more and more people who have come to live on Planet Earth. Destruction of the rainforests is particularly fatal, because the rainforests store great quantities of carbon in tree growth, and cannot be reforested easily after they are destroyed.

Meanwhile, forests in many areas have become weaker and less vigorous in growth and carbon storing capacity, because of the depletion of the trace minerals in the topsoil. Added to this, the manufacturing and fuel burning activities of humans have caused a great increase in acid rain and acid snow, so that forest growth over vast territories becomes weaker and less healthy, and thus susceptible to insects and diseases and

fires. Consequently, forests are dying and burning in most parts of Earth, as reported in the news. The total result is that deforestation from all causes probably exceeds by 40 or 50 times all current efforts at reforestation and natural regeneration.

At the same time, during the past few hundred years, humans have discovered how to burn fossil fuels for heat and energy. With the advent of coal burning furnaces and steel making and automobiles and aircraft and air conditioning and all-night lighting, the burning of coal and oil and gas has skyrocketed. Fossil fuel powered autos, trucks and other vehicles are rapidly increasing everywhere. Everybody wants one, or two. At the present rate of burning fossil fuels, a surprisingly rapid descent into the next ice age may become irreversible within a very few years.

Meanwhile, many other activities by humans inadvertently contribute to change in the climate, including: overcropping and overgrazing and cutting down trees for fuel helps cause the spreading of deserts, along with widespread soil erosion in most countries. The use of petroleum based fertilizers contributes adversely to water and air pollution. The rapid increase in the use of chlorofluorocarbons in aerosols and solvents, in hundreds of millions of air conditioners and refrigerators, in foam insulation and billions of packaging conainers, all contribute to spreading ozone holes and the "greenhouse syndrome," with hundred-year chemical life spans for the chlorofluorocarbons released into the atmosphere.

Although our Planet Earth, together with its fragile human civilizations, was already nearing the end of the current inter-glacial period, human activities during recent years have been, unwittingly, speeding that end along in many ways.

WHAT, THEN, CAN BE DONE?

Even at this late date, it may be possible to avert much of the impending catastrophes if the remedy is applied very rapidly and on a very massive scale. The remedy is derived from understanding what is happening. The remedy has four major elements:

- A. REFORESTATION must be organized and carried out quickly on a global scale at least 100 times more than the present rate. This is necessary both to catch up with deforestation and to recapture the excess carbon dioxide in the atmosphere and store the carbon in forest growth while releasing oxygen. Along with reforestation, destruction of the Earth's rainforests must be brought to a halt almost immediately, which means that other economic activity must be substituted in rainforest countries. Reforestation is particularly important where trees can grow fast, and where possible help produce food and other economic benefits.
- B. The use of fossil fuels must be ended very rapidly. More efficient use cannot solve the problem. An emergency global campaign must be carried out universally to make the transition to non-polluting, safe, and sustainable sources of energy. This means solar energy, hydrogen energy, and other non-polluting and safe energy sources; but not nuclear reactors, which produce a thousand years of dangerous poisons for Earth and humanity during each year of operation. Fossil fuels must be phased out within a very few years. Not over 50 years; even 10 years may be too long. Each year of using fossil fuels imperils all of humanity.
- C. In order for reforestation to succeed, and agriculture to sustain life, all forest lands, along with all crop lands, must be remineralized. Applied human intelligence may be able to accomplish what otherwise takes the glaciers, the volcanoes,

and the winds 90,000 years to do. That is, many billions of tons of rock mixtures, lava flow, and limestone must be ground up (by solar power) and combined into rock-dust mixtures, then spread by all available aircraft and by other means over all forest lands and over all crop lands. By this means, humans can obtain healthy, strong, and rapid forest growth to recapture the excess carbon dioxide in the atmosphere, which is primarily responsible for causing climate change; and can also produce nutritious food supplies in abundance.

D. In addition, alternatives for the use of chlorofluorocarbons (CFCs) must be found and applied universally very rapidly -- not over a 50-year period, even 10 years is really not soon enough. An immediate 90% reduction of CFCs is already reported to be technically feasible.

By these four major methods, along with several other actions not described herein, humans may be able to bring carbon dioxide levels back down to around 270 parts per million, and maintain this inter-glacial balance for many thousands of years, with the elimination of climate-changing chlorofluorocarbons.

These are the major elements of the emergency Earth rescue campaign which must go forward quickly if we are to survive. The same sort of combined remedy would be required even if the "greenhouse" effect was going to result in melting the ice caps during the next few years. However, the reality of what is already happening with both warming and cooling at the same time, requires much speedier action. Rather than melting ice caps and flooding lowlands, the main hazards to overcome in 50 or 100 years are universal crop failures, food shortages and starvation, hurricanes and forest fires, all in the context of a terminating inter-glacial period, unless corrective measures are implemented very rapidly.

A more detailed outline of the necessary action (except for CFC control) is given in the enclosed World Legislative Bill #6, recently adopted by the Provisional World Parliament, to put into effect an EMERGENCY EARTH RESCUE ADMINISTRATION. Please study World Legislative Bill #6. At least 30 other environmental problems are also solved at the same time by implementing Bill #6.

To carry out this emergency campaign on the massive global scale that is essential, three conditions are required:

- A. The campaign must be conceived, organized, and carried out as a global trillion-dollar-a-year public and private works campaign, continuing over a period of at least 20 years. The first couple of years may start with less than a trillion. The campaign can employ all available persons, including those unemployed and those in national armies.
- B. The campaign can be fully and successfully carried out only in the context of the organization and the practical emergence of a Federal World Government, which is given sufficient constitutional authority and finances to do all that is necessary. Otherwise, civilization is finished.
- C. The resources, money, and human talents now used for national military purposes must be diverted to a global campaign for our mutual survival on Earth.

Our appeal and request, therefore, is that you as a Head of Government will take the following immediate steps:

- 1. Please study what we have written very carefully.
- 2. Invite the Heads of Governments of other countries to an emergency meeting where the problem and the remedy can be discussed very honestly, and action planned accordingly.
- 3. Join with other Heads of Government to convene such a meeting, if you believe a joint invitation to the meeting is better -- but please do not wait too long.
- 4. Invite some members of our initiative to the meeting to explain and to serve as consultants.
- 5. Come to such a meeting yourself, even if it is convened by the Heads of Governments of some other countries.
- 6. Plan on sending delegates, or come yourself, to participate in the World Constituent Assembly which will begin at the end of 1990. We will send further details. Please study the draft of the Constitution for the Federation of Earth beforehand.

Please reply without delay, directly or through your Ambassador. Let us know what you will do. There is no time to lose.

Most sincerely yours, for adequate action in time for the Survival of Humanity on Earth,

Philip Isely, U.S.A. Integrative Engineer Reinhart Ruge, Mexico Civil Engineer

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T.P. Amerasiijke

Dr. Terence P. Amerasinghe, Sri Lanka Attorney-at-Law

the past five years in the New York Times and elsewhere.

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World Citizens Leader

SHETTIMA ALI MONGUNO
U.N. Delegate 9 Sessions
Nigeria

DR. RASHMI MAYUR
President, Global Futures Network

Ratansinh Raida, In

Margaret Isely, U.S.A

Businesswoman

Member Parliament 1977-84

NOTE: Much of the factual and scientific basis for the analysis in this letter is drawn from the comprehensive and well documented book, SURVIVAL OF CIVILIZATION, by engineer John Hamaker, written together with Don Weaver; research by the Earth Regeneration Society, and by the Institute For A Future; several (but not all) studies published by the WorldWatch Institute; and corroborated by daily news reports during

ADDITION: To fully and expeditiously implement the rescue from climate catastrophe, as defined herein, requires also the simultaneous introduction of a new global finance and credit system, which will be fully explained in the next letter.

## **EMERGENCY EARTH RESCUE ADMINISTRATION**

#### WHEREAS:

THE PEOPLE OF EARTH HAVE A NEW COMMON ENEMY, WHICH REQUIRES AN EMERGENCY WORLD - WIDE CAMPAIGN IN WHICH BOTH EAST AND WEST, NORTH AND SOUTH, MUST ABANDON ARMAMENTS AND JOIN IN COMMON CAUSE FOR SURVIVAL.

The new Common Enemy is the rapidly accelerating increase of Carbon Di-oxide (CO2) in the atmosphere, which will result in cataclysmic climatic changes unless overcome soon.

The climatic changes and resulting catastrophes, which could become irreversible within a decade unless the "greenhouse syndrome" of accumulating CO2 is reversed, include:

- \* Widespread drought, which is likely to continue relentlessly year after year, and to devastate more and more countries;
- \* Rapidly spreading deserts and forest die-outs;
- \* Many eratic weather extremes, together with high winds and forest fires, all serving to make agriculture, food production and living conditions difficult;
- \* Repeated crop failures in the temperate zone "bread baskets" of the world;
- \* Massive starvation for hundreds of millions of people, beginning in the poorer countries, but spreading to the developed countries as food supplies run low;
- \* Excessive evaporation from oceans in the lower latitudes, then drawn by air currents to higher latitudes where precipitation as snowfall will increase under continuous cloud cover, thus resulting in accumulations which will turn to ice;
- \* The unexpectedly rapid onset of a new ice age;
- \* Vast areas become uninhabitable, leading to attempted mass migrations of people, but no where to go;
- \* Soon the pressure of growing ice fields on Earth will result in increasing volcanic eruptions at release points spewing great quantities of CO2 into the atmosphere, and pushing the whole process beyond the point of no return.

## SEVERAL CONCURRENT REASONS FOR THE RAPID INCREASE OF CO2 IN THE ATMOSPHERE INCLUDE:

- I. Rapid de-forestation, due to over-cutting for fuel, lumber, and conversion of forest land to the raising of cattle for beef, particularly in the tropics and subtropics where vigorous forest growth is particularly critical to hold the CO2 in dynamic balance;
- II. Weak and un-healthy forest growth, resulting from general soil-demineralization worldwide, together with acid rain and other pollutants. Healthy forest and tree growth is necessary to keep the balance of CO2 in the atmosphere, because trees take in CO2 and store carbon in the process of growth.
- III. Burning of fossil fuels, both coal and oil, which releases stored carbon in CO2 form.
- IV. General loss of top soil and soil fertility, leading to generally less healthy plant growth, which is then unable to use up as much CO2.

V. Heavy meat eating diets, which are increasing as affluence spreads, which puts economic pressure for conversion of forest lands to cattle raising and other meat production.

We recognize that present day civilizations have developed during an inter-glacial period of a little more than 10,000 years, and that another ice age might ordinarly be expected to recur from natural causes, as in the past history of the Earth. In the present circumstances, however, the actions of people are hastening the advent of another glacial period. At the same time, it may be equally possible for people to prevent a new ice age from overwhelming civilization by taking appropriate corrective steps now to restore a dynamic balance.

<sup>\*</sup> Enacted as World Law at the Second Session of the Provisional World Parliament meeting March 15 to 25 1985 at New Delhi, India convened and organized under Article XIX of the Constitution for the Federation of Earth.

#### THEREFORE:

- A. AN EMERGENCY EARTH RESCUE ADMINISTRA-TION IS HEREBY CREATED.
- B. THE EMERGENCY EARTH RESCUE ADMINISTRATION (EERA) shall carry out a coordinated worldwide emergency campaign on several major fronts concurrently, in order to overcome the increase of CO2 before climatic and geological changes become irreversible:
- I. FIRST FRONT: MASSIVE REFORESTATION. The following shall be carried forward:
- a) Make an inventory of all areas in the world suitable for reforestation and tree plantings to re-capture maximum net amounts of CO2. Give special attention to soil mineral content and other particular requirements of each area.
- b) Select areas to begin re-forestation and tree plantations, where the fastest growth and maximum retrieval of CO2 may be accomplished in the shortest possible time. For this purpose, particular attention may be given to tropical and sub-tropical areas, providing water is available.\*\*
- c) Select a variety of trees suitable for re-forestation and tree plantations for various areas, taking into consideration rapidity of growth, net CO2 recovery, water requirements, fruit and nut crop production, usable timber crops.
- d) Establish and expand nurseries to expedite growth of many billions of trees for re-planting.
- e) Proceed with re-forestation and tree plantings on as much available land as possible, including de-forested lands, publicly owned land, roadside strips, windbreak strips, continuously renewable tree crop areas, tree crops to produce food and wood products.
- f) For the work of re-forestation and tree plantings, employ the unemployed wherever possible, particularly the unemployed of less developed countries as well as the unemployed everywhere, and also of people who may be displaced during the transition away from fossil fuels.
- II. SECOND FRONT: MASSIVE RE MINERALIZA TION OF FOREST LANDS AND CROP LANDS, since the mineral content of the soil is most important for healthy, vigorous growth, able to re-incorporate the carbon content in trees and plants, and also for truly nutritious food crops.
- a) Determine mineral mixes in powdered rock form best suited for healthy tree and plant growth in various areas. E.g., combination of lava flow, glacial deposits and limestone.

- b) Contract with or establish quarries and rock or gravel grinding operations in locations around the world, to provide hundreds of millions of tons of appropriate mineral mixes ready for application.
- c) Select areas to begin re-mineralization operations, particularly areas to be reforested and planted in tree crops, and areas where forests are dying or weakened from de-mineralized soils, acid rain and other pollutants.
- d) For re-mineralization on a mass scale, equip thousands of airplanes to carry out the remineralization in a manner similar to crop dusting. Where possible, convert available military aircraft for this emergency campaign in the common cause for survival and peaceful living on Earth.
- e) Continue until all forest lands, tree crop areas and crop lands are re-mineralized, which in addition to maximizing vigorous tree growth will also resulst in more nutritious fruit and nut crops and more nutritious agricultural products generally.
- III. THIRD FRONT: EXPEDITE THE TRANSITION FROM FOSSIL FUELS TO SAFE AND SUSTAINABLE ENERGY SUPPLIES AND TECHNOLOGY. The following shall be carried out:
- a) Initiate, or help initiate, and coordinate a global crash program of research and development for alternative sources of energy which are both safe and sustainable.
- b) Particular attention shall be given to the potential and technologies for solar and hydrogen power and energy.
- c) The goal shall be to achieve a 50% to 90% reduction in use of coal and oil as energy sources within six to ten years.
- d) Do whatever possible to expedite the transition both for heating and cooling purposes, for industrial and commercial power, for conversion to elctricity, and for transportation.
- e) Collaborate with other agencies working towards the same ends, particularly under the terms of other world legislation concerning world energy supplies and technologies.

<sup>\*\*</sup> Note: If CO2 accumulations continue too long, causing protracted draught and desert conditions, the affected areas may then become difficult or impossible to reforest from lack of water and rain.

#### BENEFITS OF THE EMERGENCY EARTH RESCUE ADMINISTRATION PLAN\*

Partial List

#### 1. ACHIEVES CONDITIONS FOR AGRICULTURAL STABILITY:

Because EERA overcomes disastrous climatic changes resulting from excess CO2 in the atmosphere, and carries forward a massive re-mineralization/fertilization campaign.

#### 2. PREVENTS IMPENDING STARVATION OF SEVERAL BILLION INHABITANTS OF EARTH:

Because EERA reverses and brings CO2 accumulation under control, and thus overcomes climatic changes now threatening humanity with massive starvation before the end of this century.

#### 3. ENDS EXTREME AND SPREADING CONDITIONS OF DROUGHT:

Because EERA brings over-heating of atmosphere (because of excess CO2) under control.

#### 4. HELPS SOLVE CONTINUING WORLD FOOD SUPPLY PROBLEM:

Because EERA improves agricultural production worldwide.

#### 5. REVERSES DESTRUCTION OF EARTH'S FORESTED AREAS:

Because EERA carries forward massive reforestation campaign, together with re-mineralization of forest lands for healthy forest growth.

#### 6. SAVES AND RESTORES TROPICAL RAIN FORESTS:

Because restoration of fast growing healthy rain forests is essential part of EERA campaign for reforestation to recapture excess CO2.

#### 7. OVERCOMES DESTRUCTION OF FORESTS BY ACID RAIN:

Because EERA requires quick phase-out of fossil fuels, and EERA re-mineralization program overcomes the extreme acid condition of forest soils damaged by acid rain.

#### 8. SOLVES WORLD ENERGY SUPPLY PROBLEM:

Because EERA requires global crash program to develop efficient non-polluting sustainable energy supplies, particularly solar energy and hydrogen energy, in order to phase-out burning of fossil fuels.

#### 9. HELPS SOLVE SOIL EROSION PROBLEM:

Because EERA plants billions of trees which hold soil on hills, and restores soil fertility on all crop lands, which means humus building conditions which retain water.

#### 10. HELPS TO SOLVE WATER SUPPLY PROBLEM:

Because EERA campaigns result in controlling water runoff and improve water purity.

#### 11. SOLVES PROBLEM OF BAD FLOODS:

Because EERA tree planting and remineralization to promote healthy tree and crop growth reduce rapid water runoff during heavy rains.

#### 12. SOLVES PROBLEM OF RAPID RESERVOIR SILTATION:

Because EERA prevents rapid water runoff together with rapid erosion, thus making dams useful for longer periods of time.

#### 13. SAVES OCEANS FROM DYING:

Because EERA requires rapid end to off-shore oil wells, rapid phase-out of super tankers for oil transport, greatly reduces pollution from burning of fossil fuels, and substitutes remineralization plus humus for agricultural fertility instead of too much inorganic nitrates & phosphates which quickly leach into streams & rivers and then into oceans, upsetting planketon growth.

#### 14. SAVES THE EARTH'S OXYGEN SUPPLY:

Because EERA prevents death of the oceans which recycle 60 to 80 percent of Earth's oxygen supply, and improves healthy forest and plant life on land which recycles the rest of Earth's oxygen supply.

#### 15. IMPROVES WORLD FOOD SUPPLY THROUGH SUSTAINABLE OCEAN FISHERIES:

Because EERA keeps the oceans healthy, especially the most useable areas near shore.

#### 16. IMPROVES WORLD FOOD SUPPLY THROUGH NUT AND FRUIT CROPS:

Because EERA requires planting of more trees for nut, fruit and other crops wherever possible, e.g., tree crop plantations; roadside, fence row, and backyard trees, with emphasis on trees which produce valuable crops for human use, not only the recapture of CO2.

#### 17. ASSURES LASTING SUPPLIES OF TIMBER FOR WOOD PRODUCTS, ETC.:

Because EERA requires sustained use planning and planting of all forests in the world, and attention to fast growing trees which can be used for wood products, etc.

#### 18. REDUCES USE OF PESTICIDES WHICH ARE HARMFUL TO PEOPLE:

Because EERA requires massive re-mineralization (with humus where possible) on all forest lands, tree crop areas, agricultural and pasture lands, so that healthy mineralized growth resists pests and infestations, as well as fungus type and other maladies.

#### 19. SAVES VALUABLE MULTIPLICITY OF PLANT AND ANIMAL SPECIES:

Because EERA saves the rain forests and promotes healthy growth of forests everywhere.

#### 20. IMPROVES QUALITY OF FOOD SUPPLY FOR GOOD NUTRITION:

Because remineralization of all agricultural and tree-crop lands, required by EERA, means the production of more nutritious and good tasting food.

- 21. GREATLY REDUCES KILLING OF FORESTS BY INSECT INFESTATIONS:
  - Because such infestations spread when tree growth is unhealthy, and EERA corrects this condition by massive remineralization campaign and phase-out of fossil fuels.
- 22. REDUCES FOREST, BRUSH AND PRAIRIE FIRES, WHICH ALSO ENGULF HUMAN HABITATIONS:

Because increased incidence of such fires is result of continuous drought conditions and unhealthy tree growth, which are both corrected by EERA program.

23. REDUCES TORNADOS AND VIOLENT WIND STORMS:

Because increasing incidence of tornados, hurricanes and violent wind storms are result of climatic disruptions and chaotic wind circulation pattern from overheated atmosphere, caused by excess accumulation of CO2 in atmosphere, which EERA corrects.

24. REDUCES AGRICULTURAL DISRUPTIONS FROM UNPREDICTABLE CLIMATE HAZARDS:

The increased incidence of late frosts, early freezes, killing freezes in areas seldom affected before, violent rains, etc., which destroy crop planning and production, are the result of climate changes resulting from excess, CO2, which is corrected by EERA.

25. SOLVES THE "OTHER ENERGY" CRISES:

Because EERA requires sustained-use tree plantings, those parts of the world which depend on wood for fuel are assured of sustainable supplies of wood if they cooperate in EERA program.

26. LEADS TO SHIFT AWAY FROM HEAVY MEAT EATING DIETS:

Because increase in beef and meat eating diets puts heavy pressure to convert forest lands, especially in tropical countries, to beef production, which takes 7 to 9 times as much land as grain products used directly for human food, the EERA program must encourage reduction in beef eating (while maintaining dietary protein balance) to save forests and recycle CO2.

27. GREATLY REDUCES POLLUTION IN THE CITIES:

Because EERA requires rapid transition away from fossil fuels to non-polluting energy sources, thus eliminates most gas & oil powered vehicles in favor of electrically or hydrogen powered vehicles, and eliminates coal & oil as energy sources for factories, for heating & cooling homes, offices, etc.

28. GREATLY REDUCES THE PALL OF HAZE OVER MUCH OF THE WORLD:

Because EERA eliminates major sources of haze producing pollution, which is important not only for cities and towns, but also for enjoyment of mountains, rural areas and vacation areas.

29. SAVES ARCHITECTURAL AND ARCHEOLOGICAL TREASURES OF THE AGES:

Because EERA eliminates most acid rain, acid fog, and atmospheric pollution which destroys the architectural and archeological heritage of histroy and civilization.

30. SOLVES WORLDWIDE UNEMPLOYMENT PROBLEM:

Because EERA campaign can employ every able bodied and able minded unemployed person, and every under-employed person, available throughout the world. These emergency campaigns will continue for the next 20 years at least.

31. SOLVES DISARMAMENT PROBLEM:

Because EERA program requires that all military arms programs be discontinued and abandoned immediately, and that all expenditures, resources, manpower, and scientific talent now squandered in military programs must be turned immediately to fighting the new common enemy of mankind, which is the rapid increase of CO2 in the atmosphere.

32. HELPS SOLVE PROBLEM OF MILITARY CONVERSIONS TO PEACEFUL USES:

Because all available personnel and useable technology now in military "service" is required for EERA campaigns for reforestation, remineralization, and conversion to non-polluting energy.

33. PREVENTS RAPID ONSET OF NEW ICE AGE, WHICH WILL DESTROY CIVILIZATION:

Unless reversed, the increasing levels of carbon dioxide in the atmosphere (now almost at the point of no return at 350 parts per million) will trigger rapid and irreversible onset of new ice age, which could last for tens of thousands of years. EERA program can bring CO2 levels down to safety and dynamic balance, if implemented expeditiously.

34. PREVENTS NEW UPSURGE OF VOLCANIC ACTIVITY:

If CO2 induced climatic changes are not reversed quickly, the ensuing build-up of snow and ice in polar lattitudes will trigger (by geologic pressures) worldwide increased volcanic activity, which will spew great quantities of CO2 and dust in atmosphere, and make the new ice age irreversible. Expeditious implementation of EERA program can prevent this.

35. ACHIEVES WORLDWIDE HUMAN UNITY:

Because the People of Earth can save themselves from the catastrophes resulting from excess CO2 only be abandoning military arms and joining in common peaceful defense provided by EERA against this new common enemy of human life and civilization on Earth.

Recommended reading on CO2 crisis and remedy: SURVIVAL OF CIVILIZATION, with update, \$10, from Hamaker & Weaver Publishers, Box 1961, Burlingame, CA 94010, U.S.A.

\* Please refer to World Legislative Bill #6 for an EMERGENCY EARTH RESCUE ADMINISTRATION (EERA) which was adopted by the Second Session of the Provisional World Parliament meeting in New Delhi, India, in March, 1985, and is being distributed by the World Constitution and Parliament Association, 1480 Hoyt Street, Suite 31, Lakewood, Colorado 80215, U.S.A. Phone (303) 233-3548.

- IV. **FOURTH FRONT: PUBLICITY.** To mobilize worldwide public support and cooperation in this emergency campaign, the EERA shall carry out an extensive global program of publicity, information, education and advertising.
- V. ON ALL FRONTS, encourage, foster and coordinate the participation of all concerned agencies, both public and private, both local, regional, national and international, in this common campaign for reforestation, re-mineralization, and the transition to safe and sustainable energy supplies.
- VI. The "fronts" of the emergency campaign shall not be limited to those defined herein, and other fronts may be defined and developed by the Administration of the EERA.
- C. A BOARD OF TRUSTEES of up to 200 members, serving terms of five years, shall be created to direct and administer the EERA, within the framework and specifications of this World Legislation, and shall be composed as follows:
- a) 20% of the members shall be elected or appointed by the Provisional World Parliament or by the Provisional World Cabinet to be created by the Provisional World Parliament:
- b) 30% of the members shall be designated by the national governments or national legislatures which ratify this World Legislation. The first 10 ratifying countries shall name ten members, the next 20 ratifiers shall name ten members, the next 30 shall name ten members, and the remaining countries shall name ten members. Until such ratifications have been accomplished the Provisional World Parliament or Provisional World Cabinet may appoint parliamentary or governmental leaders from various countries to serve on a temporary basis until members are duly named by the ratifying countries;
- c) 25% of the members shall be elected or appointed by subnational political entities which ratify this world legislation, including states, provinces, cities, local and regional authorities;
- d) 25% of the members shall be elected by organizations and corporations of all kinds which ratify this World Legislation.

The Provisional World Parliament or the Provisional World Cabinet shall designate three Co-Chairpersons for the Board of Trustees from three different continents, and shall designate an Executive Director and five Regional Directors, all of whom shall serve ex-

officio with vote on the Board of Trustees. Each Trustee shall have one vote and only one vote, and there shall be no proxy voting.

The Board of Trustees for EERA shall do whatever is necessary to implement this world legislation as expeditiously as possible, and shall establish its own rules of procedure and operating structure within the framework and terms of this World Legislation.

The Board of Trustees shall at all times be responsible to the Provisional World Parliament and Provisional World Cabinet, and in due course to the World Government established under a ratified Constitution for the Federation of Earth, and shall make annual reports together with interim reports as necessary.

- D. An **EARTH RESCUE EXECUTIVE COUNCIL** (EREC) of 21-33 members shall be elected by the Board of Trustees to manage the day to day conduct and operations of EERA, between meetings of the full Board of Trustees. Included ex-officio on the EREC shall be the three Co-Chairpersons and the Executive Director. The EREC shall be responsible for preparing the operating budgets for EERA, subject to approval by the Board of Trustees, and shall emply all necessary key personnel.
- E. **FUNDING:** Since the task of EERA is similar in nature to a war for which all available resources are mobilized and given priority, the EERA shall be funded in similar proportions, amounting to a hundred billion dollars per year, or more. Sources of funding shall include:
- a) Approprations by those national governments which ratify this world legislation for EERA. Appropriations requested from national governments for EERA shall be 20% of the amounts currently being spent for military purposes.
- b) National governments shall also be requested to cancel military contracts, especially contracts for nuclear weapons and other weapons of mass destruction, and to transfer unspent funds to the Emergency Earth Rescue Administration, as well as for other useful peacetime projects for world economic development and to serve human needs in accordance with World Legislative Bill Number Two of the First Session of the Provisional World Parliament.
- c) Approprations and contributions from sub-national political entities, communities, corporations, organizations and individuals who recognize the common enemy of humanity as defined herein.

d) Sale of EARTH BONDS, if other sources of funding do not prove adequate, such Earth Bonds to be redeemed plus interest by the World Government if and when established under a ratified Constitution for the Federation of Earth. The procedure for the sale and redemption of Earth Bonds shall be as provided in other World Legislation to be adopted at the Second Session of the Provisional World Parliament.

F. ORIGINAL EXECUTIVE COMMITTEE: To begin the EERA and make sure that everything moves along expeditiously, the Provisional World Parliament or the Provisional World Cabinet shall appoint an Original Executive Committee, to be composed of from 5 to 21 members. The first 5 members of the OEC shall be appointed at the Second Session of the Provisional World Parliament, and the first 5 may then co-opt additional members. The OEC shall include at least one Co-Chairperson and the Executive Director for EERA. The OEC shall begin immediately to initiate all activities of EERA, and to implement all provisions of this World Legislation. As soon as a permanent EREC is elected by the Board of Trustees, the OEC shall be replaced by the EREC, which may include members of OEC. Until replaced by the EREC, the OEC shall be responsible to the Provisional World Cabinet or to the Provisional World Parliament through the standing Parliamentary Commission for EERA.

G. GLOBAL RESCUE TEAMS: As soon as funding of \$50,000 has been obtained, or sooner if feasible, the OEC shall recruit, employ and dispatch several Global Rescue Teams of two or three persons each, to travel to as many countries as possible for the purposes of obtaining ratification of this World Legislation for the Emergency Earth Rescue Administration, together with funding and other participation in expediting the work and objectives of EERA. The Global Rescue Teams shall seek ratification by national parliaments and national governments, by communities, states and other subnational political entities, and by corporations and other organizations.

H. STANDING PARLIAMENTARY COMMISSION FOR EERA. A standing Parliamentary Commission for EERA of 9 members shall be elected by the Provisional World Parliament, to serve as liaison between the EERA and the Provisional World Parliament, for the purpose of ensuring that the provisions of this World Legislation are carried out. The Standing Parliamentary Commission for EERA shall appoint the OEC if the OEC is not otherwise composed within six weeks after the adoption of this World Legislation. The OEC may include members of the Standing Parliamentary Commission for EERA.

## RATIFICATION FORM

# RATIFICATION OF WORLD LAW TO CREATE AN EMERGENCY EARTH RESCUE ADMINISTRATION, IN ORDER TO OVERCOME THE EXCESS ACCUMULATION OF CARBON DIOXIDE IN THE ATMOSPHERE

Because of the necessity for overcoming the excess accumulation of carbon dioxide in the atmosphere as rapidly as possible, and because of the multiple benefits which are expected to result from the several correlated actions required to overcome excess CO2, as provided in World Legislative Bill #6, we do hereby ratify World Legislative Bill #6 for an EMERGENCY EARTH RESCUE ADMINISTRATION, and stand ready to elect representatives to serve on the Board of Trustees for the Emergency Earth Rescue Administration, and will cooperate in every way possible for the implementation of this world legislation.

NAME of community, city, county, province, state, other political unit, university, college, school, institute, union, corporation, laboratory, business, association, non-governmental organization, church, group or other entity:

NAME			
ADDRESS		TELEPHONE	
CITY	STATE	POSTAL ZIP	COUNTRY
Signature of individual or responsible official			DATE
Printed name of responsible official		OFFICE HELD	
Further description or do	cumentation on ratification, such a	s resolution passed by the City	Council, Student Faculty Council,
Board of Directors, Memb	pership Meeting, etc.:		
	V	DLUNTARY CONTRIBUTION S	S

## World Affairs Society

ALLENTOWN, PA. 18104





March 7, 1989

Prime Minister Yitzhak Shamir Jerusalem, Israel

Dear Prime Minister:

We are pleased to note that you are planning to visit our capital in April with a peace plan.

You may wish to mull over the implications of the enclosed "Middle East Peace Plan", and how this might dove-tail into your own plans.

With all best wishes for success,

Sincerely yours,

Harrison A. Moyer

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#### משרד החוץ ירושלים



## MINISTRY OF FOREIGN AFFAIRS JERUSALEM

בפברואר 1989 908



אל: לשכת מנכ"ל משרד ראש-הממשלה, גב' נורית

מאת: יעל רביע, המחלקה לאורחים רשמיים

820(1-2)

הנדון: <u>ביקור עוזרים בכירים של ועדת החוץ בסנט האמריקאי.</u> בהמשך לשיחתנו הטלפונית מיום 7.2.89

1. ביום בי 13 בפברואר 89 בשעה 10.00 יפגשו הנ"ל עם מנכ"ל משרד רה"מ, מר יוסי בן אהרון בלשכתו.

- 2. מצורף בזאת דף רקע על האורחים.
  - 3. בתודה מראש על שתוף הפעולה.

בברכה, רביע יעל טל' 303653

## MINISTRY OF FOREIGN AFFAIRS JERUSALEM



א' אדר תשמ"ח 1989 בפברואר 6

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#### עוזרים בכירים של ועדת החוץ בסנט האמריקני

לועדת החוץ בסנט שני צוותי עוזרים: לרוב הדמוקרטי ולמיעוט הרפובליקני. במועדים 15.2.89–11 יבקרו בארץ ארבעה מבין בכירי העוזרים למיעוט הרפובליקני בועדה :

מנהל צוות העוזרים – CLIFF KIRACOFE – האחראי לענינים מדיניים/צבאיים – DARRYL NIRENBERG – האחראי לעניני מזרח תיכון – DR. ROBERT FRIEDLANDER –

ככלל, נתן לתאר את תפקידם כסיוע, יעוץ והכנת ניירות עמדה לסנטורים הרפובליקנים בועדת החוץ.

ביקורם כאן חשוב לנו עקב הנושאים המדיניים והתקציביים שבהם מטפלת ועדת החוץ בסנט כאשר ברור שגם לצד הרפובליקני ישנה חשיבות בעיצוב המדיניות והעברת חוקים והחלטות הנוגעים לישראל.





JOHN D. ROCKEFELLER IV
WEST VIRGINIA

February 6, 1949

Dear Prime Minister Chamin,

Man deaply sarry to be rolate in thanking you for your country to my wife and myself.

that was my first visit to Darad, and ) was propountly moved by the experience. A Seliene strangly in Darad socare future, and Jam cryston that you will work wisely in that direction.

W: th warm regards, ) og Rollydler

## United States Senate

WASHINGTON, D. C. 20510

OFFICIAL BUSINESS





The Honorable Yitzhak Shamir Office of the Prime Minister Jerusalem ISRAEL



כ' בשבט תשמ"ט 26 בינואר 1989 סימוכין ת9-145

932-1

לכבוד מיכאל וחוה קארו רח' החסידה 17/37 ירושלים

שלום רב,

ראש הממשלה בקשני לאשר קבלת העתק מכתבכם מיום 18.1.89 למר ג'מס בייקר, שר החוץ האמריקאי.

אנו מזדהים עם תוכן הדברים ומודים לכם על אזרחותכם הטובה.

בברכה,

יששכר קציר יועץ ראש הממשלה Jan 18 -89.
משרד ראש הממשלת שכת ראש הממשלה 25 -1 - 1989

Mr James Baker, 25 -01- 1989
Secretary of State UNIED STATES OF AMERICA 932-1

HON. SIR:

According to to-day's Jerusalem Post you said: TODAY THE ROCKS ARE FLYING AND THE BLOOD IS FLOWING \* BAD BLOOD BETWEEN THE PALESTINIANS AND ISRAEL.\*

This is a dangerous statement specially for the consumption of world media. You do not think of Israel relation with the world (PR).— In other words you agree publicly with the World News that only show one side, the side of the "victimized, oppressed, poor Palestinians"

These juvenile stone throwers would be severely punished in the States or any other place for the lives and property they destroy. - Most of the Arab schools are near majof roadways; that does not help matters nor that these children are under pressure by older youths and adults. -

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MICHAEL & EVA CARO

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## COURTNEY KENNEDY RUHE II48 FIFTH AVENUE NEW YORK, NEW YORK 10128

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January 25, 1989

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The Honorable Mr. Yitzhak Shamir Prime Minister Prime Minister's Office Kiryat Ben Gurion Jerusalem

Dear Mr. Prime Minister,

Thank you so much for taking time out of your busy schedule to meet with Joe, Congressman Gordon, myself and our group. Meeting you was a great honor, with so much knowledge and experience, you have made history. The brief time we spent together provided us with real insight into the problems Israel faces. We had a fascinating visit — although much too short. We left with renewed hope that peaceful solutions can be found for the region. Thank you, I am grateful to you.

Courtner Venney Riche

Courtney Kennedy Ruhe

Harvester Christian and Academy 9101 Brayton Drive Anchorage, Alaska 99507 A DIVISION OF SOUL HARVEST, INC. 907-344-0528 January 19, 1989 משרד ראש הממשלה ירושלים 2 -92 1938 Prime Minister Shamir מסי התיק 05-10 Prime Minister's Bureau Jerusalem, Israel Dear Prime Minister Shamir: Last spring our school, Harvester Christian Academy, enjoyed a month-long celebration of Israel's fortieth birthday. theme was "A Nation Born in a Day!" Students ranging in age from four to sixteen did an in-depth study of your land: its people, geography, and history. Waving Israeli flags, the students filled the auditorium each Friday for a rousing assembly. Lively songs were sung, and classes competed in map-drawing contests and information The celebration was climaxed with an exciting rally. School parents and Jewish leaders from our community were in attendance. Israel's Declaration of Independence and excerpts from Isaiah 66 were recited. Students enthusiastically sang "We're Marching to Zion," waved their flags, and shouted our newly-composed We also presented a copper menorah, like the one we sent to your office, to a representative from the local synagogue here in Anchorage. What a thrill it was to share our love and joy with some of your people. Please find enclosed several heart-warming letters that the younger children wanted you to receive. They would all love to be on a plane to Israel tomorrow if they had the chance. Be assured that there are some young people and teachers on the other side of the world whose hearts and prayers are lovingly with the "Chosen People!"

And Minister Shamir anuary 19, 1989 Page Two

Sincerely yours,

Peri Jones

(Miss) Teri Jones Elementary Teacher

TJ:hm

Enclosures

P.S. Just recently, plans have begun to take shape for a number of the staff members and some of the students to take part in a tour of Israel in late July and early August.

We would be most delighted, and indeed, greatly honored, if we should have the privilege of meeting you during our stay there. We look forward with great excitement and anticipation to visiting the "land which gave the world the Book of Books"!



LEGI-SLATE Report for the 101st Congress

Thu, January 19, 1989 2:03am (EST)

Search of 1610 Press Briefings to find 6:
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820(1-2)

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- Wednesday, January 18, 1989
Senate Foreign Relations Committee: James Baker, III - Nomination for Secretary of State (18 Jan AM) Part I
Briefing ID: 430787 (900 lines)

HEARING OF THE SENATE FOREIGN RELATIONS COMMITTEE

SUBJECT: NOMINATION OF JAMES BAKER III FOR SECRETARY OF STATE

CHAIRED BY: SENATOR CLAIBORNE PELL (D-RI)

WITNESS: JAMES BAKER III

216 HART SENATE OFFICE BUILDING

MORNING SESSION
WEDNESDAY, JANUARY 18, 1989

CHAIRMAN PELL: (Bangs gavel.) The Committee On Foreign Relations will come to order. I notice the Ranking Minority Member and I are the only ones that are here to ask questions, so since I would like to ask a couple I didn't ask yesterday —

SEN. JESSE HELMS (R-NC): I had him last. You go ahead.

CHAIRMAN PELL: Thank you very much.

A couple of points. One, I wanted to say how glad I am that you're going to leave the Assistant Secretary for Oceans, Environment, and Scientific Affairs as the man, the point man, for the environmental discussions within the Department. This bureau was set up — was one of the few in the State Department set up by separate legislation, my legislation, and I believe it has not been used to the extent that it should it be and that this particular

PARTY

bureau, with the expert knowledge that's there and with the support of the Secretary, could really be in a very good position to take the lead in these matters, just as also charged to take the lead with regard to law-of-the-sea matters, which I hope — with which I hope you will be seized before too long.

In connection with the Feaceful Nuclear Explosions Treaty and the Threshold Test Ban Treaty, what are your plans with regard to recommending ratification of those? As you know, they've been ready to roll for some time now, and it would seem to me it's about time we moved on them.

SEC. BAKER: Mr. Chairman, it's our thought that the two should be submitted jointly, if possible. And as you know — as you just stated, they are close to being ready. We've completed the verification protocol for the Peaceful Nuclear Explosions Treaty, and we're working on the verification protocol for the Threshold Test Ban Treaty. As soon as we complete the latter, it would be my thought that we would submit the two treaties to the Senate for ratification.

CHAIRMAN PELL: Would you concur that the verification problems are pretty well resolved and that you could move right ahead?

SEC. BAKER: We've made very good progress. In fact, I think they are completely resolved with respect to the Peaceful Nuclear Explosions Treaty. And we've made very good progress on the Threshold Test Ban Treaty — very close to being ready.

CHAIRMAN PELL: Good. So without pinning you down too specifically do you see us having those within a month or so?

SEC. BAKER: I can't answer that, Mr. Chairman. I'm sorry. I'll — I'd be afraid to put a date on it, because I don't know specifically what's left with respect to the verification protocol on the Threshold Test Ban Treaty.

- CHAIRMAN PELL: Right.

SEC. BAKER: I just know there's still some work to be done.

CHAIRMAN PELL: And in connection with human rights, what would be the policy of the administration? As you know, in the past there's been differentiation between authoritarian countries that liked us and those that didn't like us, or those whose governments were more parallel to our own and those who were not. What would be your policy with regard to human rights around the world?

SEC. BAKER: Well, I think it should be the policy of the United States to insist upon our standards, or full compliance with the norms of human rights, whether they be governments of the left or of the right, as I said in my testimony yesterday. And human rights is a very important cornerstone of our foreign policy, has become more and more important over the course of the years, and will remain a very important cornerstone.

CHAIRMAN PELL: Thank you. In connection with Taiwan, do you expect any change in our policy towards that country? And will you remain firm in maintaining our commitments under the Taiwan Relations Act for the security of —

SEC. BAKER: The answer -- the answer, Mr. Chairman, is no, I would not expect any changes. And so the answer to the first question is no, and the answer to the second question is yes.

CHAIRMAN PELL: Thank you very much. I appreciate the brevity of the reply, and I'll try to make my questions as equally brief. We're having a problem, as you know, with regard to refugees, the boat people. It looks as if we're going to have to take away numbers from the Russian refugees, either Jewish or Armenians who are coming in here, to satisfy the boat people; or take away numbers from the boat people to satisfy the increase in Russian emigration. Is there any thought being given to enlarging the quota as a whole?

SEC. BAKER: Well, I think we have to examine that, Mr. Chairman. No decisions obviously have been made. But again, as I think I alluded to yesterday, there are problems in this area. There are problems of quotas and there are problems of funding and financing. So we're going to have to look at both the question of increasing quotas and the question of increasing dollars.

CHAIRMAN PELL: There are some cruel choices being made now, though, as you know, with the people who think they're going to get in and the boat and then find that they can't.

SEC. BAKER: We're having some problems also, as you well know, with first asylum countries, who are being besieged with refugees. And this is an area that I think is going to occupy a fair amount of our time and attention.

CHAIRMAN PELL: One can understand that. And finally, when you go off on important and key negotiations, I've often felt there should be an in-house psychiatrist who helps you in your approaches to the adversary of the moment. I'm just curious what your thinking was in that. As you may know, this hearing — this Committee held some hearings about 20 years ago under my predecessor, Bill Fulbright, and I'm also struck at the importance of reaching (?) a deal or coming to a negotiation at the right time, that the climate is set properly. I think a psychiatrist on your staff would help. What is your thought on that?

SEC. BAKER: Well, I really had not given a lot of thought to the question of full-time staffing in that regard, although as you are well aware, we have access to important psychiatric profile information which is available to us, and which is utilized by people in the Department, both in advance of negotiations and just in the ordinary conduct of the Department's business.

CHAIRMAN PELL: I guess I'm just urging the maximum use possible. That exhausts my questions. Senator Helms.

SEN. HELMS: Thank you, Mr. Chairman. How long do you propose

CHAIRMAN FELL: Ten minutes.

SEN. HELMS: Ten minutes. We'll I don't think I'll do that because I had a little time yesterday. I'll ask one question, and then let the other Senators who have not gone on a second round.

Secretary Jim, last year, along about this time, we were proceeding with spending a lot of time on the INF treaty, right in this room. And I'm not going to revisit that process, but I do want to mention one troubling aspect, and I know you've got nothing to do with it up till now, but you will after Friday. During the consideration of the INF treaty, the State Department and others sat right there an over and over again they pooh-poohed any suggestion that the verification might not work. It bordered on arrogance a time or two, but in any case, they said that the verification procedures were "unprecedented". I remember how they rolled that word off, and that the verification procedures were central to why the treaty should be ratified. And one of the provisions of the treaty that was most discussed during the consideration of it was that the United States was to have the right to x-ray in order to monitor all treaty-limited items emerging from the Votkinsk factory portal. Now, this was to guarantee, for example, that no prohibited SS-20s could be or would be concealed within SS-25 canisters leaving Votkinsk.

Now, up to this time, the Soviets have very arrogantly refused to allow the United States to install that x-ray equipment at the factory despite the explicit terms of the treaty that this was to have been achieved more than six weeks ago, to be specific, December the first. Now, I have just rechecked this morning, the x-ray equipment is ready to go. I don't know where it is, but it's not in the Soviet Union because they have not, at last reports, even allowed it to come in, let alone be installed.

Now, I said again that we were told that this was one of the most-important features of the treaty during the deliberations last year, yet the Soviets continue to refuse to comply with it, and I might add that this is in addition to five other violations cited by President Reagan recently.

And my question is do you have any idea when we can expect the Soviets to come into compliance with the treaty?

SEC. BAKER: Well, Senator Helms, all I can do is agree to take a specific look at that particular violation, which I will be glad to do. This is the first I have heard of it. I had been informed, in the course of briefings for this — for these hearings, that instances of Soviet non-compliance with the treaty which we've raised with the Soviets have been resolved to our satisfaction or are in the process of resolution. I mean, that's what I have been told by the Department. I'll be interested to check into it, and I will pledge to do so.

SEN. HELMS: Well, I thank you. And that's all I can ask.

SEC. BAKER: Sure.

SEN. HELMS: Thank you, Mr. Chairman.

CHAIRMAN PELL: Thank you very much, Senator.

Senator Simon.

SEN. SIMON: Thank you, Mr. Chairman.

Mr. Secretary, yesterday Senator Murkowski raised the question about a couple of our bases. And I pass this along simply as a suggestion. We have basically this identical commitments that we had 30, 35 years ago. At that point, we were 40 percent of the world's economy; today we're 20 percent of the world's economy. It does seem to me that at some point you and the new Secretary of Defense and others responsible for the nation's foreign policy might very well sit down and review what is essential and what is not essential. I don't know if you had any reaction to that, Secretary.

SEC. BAKER: I think that that is — that that is quite appropriate, Senator Simon. And I believe that that will be done as part of a new administration coming into office. I recall instances in 1981, when we took a look at situations like that — or took a look at questions like that; and I think it would be appropriate for a new administration, coming in some seven years later, to do exactly the same thing. Of course, we concluded at the time, back in 1981, that the — that United States interests abroad required that we continue our base commitments around the world. I'm sure this will be one of the things that the President-elect will want the Defense Department particularly to take a close look at.

SEN. SIMON: It does seem to me, if we have reviewed domestic bases — and we have done that, I think it is not inappropriate, also, to say, "Let's take a look at areas where maybe others can assume a little greater responsibilities abroad."

One of the areas that is important, as I visit developing nations, is the whole area of family planning. Now, there is a clear understanding that none of our funds can be used for abortion because of the sensitivity of that issue within our country and in other countries. But continued assistance in the area of family planning seems to me to be a policy that I would hope we would continue, and I hope that would be your inclination, also.

SEC. BAKER: I don't see any reason why we would be — at least why now we would be seeking to depart from what has been the administration's policies in this regard.

SEN. SIMON: And that's all I need to know. The Middle East came up yesterday for discussion, and I welcomed your strong indication of support for Israel, your support for moving on the peace process. I guess the one admonition I might give — and this is our chance to load you down with advice here — is that the peace process is not being

helped by time, the positions get to be hardened, and that it will take aggressive leadership on the part of this country. And I think this country is the only country that can be the catalyst to bring about a movement there in the Middle East. And I would hope that you would have an inner commitment to really moving on that fairly aggressively.

SEC. BAKER: I think my statement yesterday, Senator Simon, sets forth my view in that regard. And if I'm not mistaken, in that statement I said that this is, of course, a very important issue facing the United States. It has been one for quite some time, and it is one that we should not shrink from. That's basically what I said in the statement. That's the way I feel.

SEN. SIMON: Right. Well, I appreciate that. And the follow-through, I think, is extremely important. An issue that is not a headline-making issue, but you and I have talked about, and the Chairman and I have talked about, is our foreign language deficiencies. We have the only foreign service in the world where you can get into the foreign service without the knowledge of a foreign language. There's no question, to do the kind of job that we need to do is going to take a commitment of resources. And I hope we in Congress will back you in the need for those resources. But any reaction that you might have? Any response on that particular need?

SEC. BAKER: Well, I would simply second what you've said, Senator Simon. I know that this has been a particular interest of Secretary Shultz. It will be an interest of mine. I think that it's important that our foreign service have those language capabilities. We'll be coming to you for, in all probability, a minimum of 34 to 35 million dollars for fiscal 1990 appropriations for Arlington Hall. I assume that will survive the Bush administration review of the Reagan budget. But I think anything we can do to ready that facility for occupancy in the year 1992, we ought to do.

SEN. SIMON: All right. Well, and it is frankly not just a facility. I think it really takes a commitment, and you are correct; Secretary Shultz has been sensitive on this. But

we have a long way to go to doing what we ought to be doing. And you have several internal reports now within the State Department pointing out our deficiencies in that area.

The need to pull in more women and minorities into key positions, I think is a continuing need, particularly in some of the third world countries, it is important that that be present. Any comments on your part in that area?

SEC. BAKER: Well, as you know, we have a Deputy Assistant Secretary whose responsibility includes that in the Department. I have met with him. I can only reiterate what the Vice President said during the course of the campaign, which is that he expects to make room for women and minorities in all elements of the Executive Branch. Of the five appointments that we have announced so far, in

addition to my own, I would note that two of those Presidential appointments requiring Senate confirmation, two out of the five are women. And there is more that can be done, I think, at the State Department, as evidenced by the briefings I've received. And we'll be doing the best job we can, Senator. That's all I can — that's all I can tell you.

SEN. SIMON: The — one of the areas of responsibility — and you work with the Defense Department in this — is the whole NATO responsibility. The United States is spending about 6.8 percent of our GNP on defense. Our friends in Western Europe are spending about 3.3 percent on the average.

Secretary Kissinger, back some years ago, made a suggestion that was never — we never followed through on, and that is that as part of shifting the responsibility that perhaps the ATO commander, military commander, could be a European officer rather than an American officer. Any reaction to that, to Secretary Kissinger's suggestion?

SEC. BAKER: You mean -- you mean in order to shift some of the economic burden?

SEN. SIMON: As a symbolic thing. Obviously, paying one person's salary isn't going to shift much of the economic burden.

SEC. BAKER: No.

SEN. SIMON: But as a symbolic thing as part of a greater shifting that has to, I think, take place.

SEC. BAKER: You mean as an inducement to obtain more greater burdensharing by our NATO allies?

SEN. SIMON: Yes; yes.

SEC. BAKER: Mm-hmm. Well, I think it's something that we could look at, Senator Simon. I don't have an opinion on it because frankly, I hadn't considered it before you just mentioned it. I would think that we could take a look at it. But I really wonder, in light of what I said yesterday about the importance of the United States leading not just economically, but in foreign policy, and the importance of the United States leading the Alliance, whether that is something that we should do. The Alliance has worked — there've been some — there have been plenty of strains, admittedly, but the Alliance has worked pretty darn well over 40 years, and I wonder if a change of that nature would move us in the right direction. It's something we could look at.

SEN. SIMON: All right. I thank you. My time is up.

Thank you, Mr. Chairman.

CHAIRMAN PELL: Thank you.

Senator Lugar.

SEN. RICHARD LUGAR (R-IN): Mr. Chairman, Mr. Secretary.

During the last round of questions, my colleague from North Carolina raised the INF Treaty, and it's not my purpose to renew the debate that he mentioned occurred here about a year ago when we had many hearings and went to the floor. But I just simply wanted to pin down in your testimony, we have been briefed on the arms control observer group -- those senators who follow regularly with our negotiators and others who have been involved -- that the provisions of the INF Treaty have been met as the treaty provided, that there were, as the Senator from North Carolina mentioned, five items in question, and at least one or two of them, as I recall, were technical problems that we had inadvertently with regard to location, and that, as you stated, each of those situations, whether Soviet or American alleged violations, have been met satisfactorily with action. I think that's important to pin down, so that there is not a lingering thought with the American people on a treaty that we ratified 92 to 5 and that this administration felt very important at the time, that somehow this is all going amiss. And so you've indicated you've been briefed by the Department, and indeed you probably have --

SEC. BAKER: Yes, sir. The --

SEN. LUGAR: —— but can't you affirm a little more strongly that it's your understanding, even on the basis of your roll in the administration, your work with President Reagan and Secretary Shultz, that, as far as you can see, the treaty has been met faithfully?

SEC. BAKER: Senator Lugar, as I hope I indicated in my answer to Senator Helms, this is the first time I have heard that there was an outstanding violation, an uncorrected violation, under the INF Treaty. And as I indicated, the briefings I've received are basically to the effect that the Special Verification Commission has met three times, that they have, as you suggested, entertained suggestions of noncompliance on both sides, and that all of those have been corrected. That's the information I have, and I've heard no one suggest otherwise until I heard the question this morning. But I think, having heard the question, I should check into it, which I'm pleased to do.

SEN. LUGAR: Well, I would agree. And I think that — and I would hope that you would brief the Committee quickly upon any violations, because it would undermine all of our consideration with regard to arms control situations in the event the Soviets are not complying, and —

SEC. BAKER: Well --

SEN. LUGAR: — that goes without saying, and we just — at least, we have right now a living treaty. And in fact, the INF missiles are being destroyed ad seriatum, and a good number of them already have been destroyed. And that's sort of important for this country to know and for the world to know.

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SEC. BAKER: Yes, sir.

SEN. LUGAR: Let me just follow up on the question on First Asylum. In the last week, I visited with the Cambodian refugees at Site Two, and with the Vietnamese refugees which were in the immediate site there. There are two different situations, one of which, as you know, might be resolved in the event there was a conference of all the parties with regard to Cambodia and the refugees are returned as a part of that situation. So there at least is some hope for those refugees. But with regard to the Vietnamese refugees, their situation there at the camp immediately adjacent has arisen because since the mid-year of last year, Thailand has discouraged additional refugees, not by "pushing off" after we had admonished them on that, but by putting them in a camp and indicating that there is no possibility for them of relocation.

Now it seems to me the predicament is one of which, at great risk and peril, people from Vietnam, and many of these persons that I interviewed in the camp claim to have been former military people or civil servants in Vietnam who were closely allied with us 13 years ago or longer. This is a part of the reason for their predicament in Vietnam. And so we bear some responsibility in my judgment, and they're in a "no man's land" situation as it stands. I don't ask you for a remedy today, because it's an exquisite (?) problem of difficulty, diplomatically as well in terms of policy, as to how much we should encourage people to risk their lives, although they really did so knowing that their odds were very poor of ever being relocated. But that situation exists and it's likely to increase, both with the Malaysians as well as the Thais, for the same reason that both of their governments want to discourage any immigration. And yet clearly, in a humanitarian way, we have some responsibility for people who stood with us and who are in peril.

SEC. BAKER: That's correct.

SEN. LUGAR: So I would sort of second the Chairman's motion that we think carefully before cutting off the possibilities of relocation of some of those persons from Asia, even as we are mindful of the problems in Armenia and with the Soviets. And we may have to do more, as opposed to squeezing within that boundary. And I hope we can discuss this some more.

SEC. BAKER: I'm sure we will, Senator Lugar. And it is, as I indicated in my answer to the Chairman, a major problem. And it's one of resources as well as strictly a policy question.

SEN. LUGAR: Along the same lines, it is clear that one of the outcomes in Central America that was readily predicted by the adminstration is occurring. And that is that many persons in Nicaragua are coming to the United States of America. Many have entered in the Southwest. And as we now see news accounts, many, because of a recent court decision, are proceeding to Miami. The numbers are unknown, but the flow is obvious. And I suppose that my question here is that in this interim period, as you're taking over in the State Department, I understand that you've not made an

appointment for Assistant Secretary, and the Latin American group maybe is influx. But, there are all sorts of things that happen in a transition. That's the way our government works. But, nevertheless, all of this refugee flow, all of the outgrowth of the Nicaraguan conflict is occurring, even as we reorganize. The El Salvador election coming up, as some members of the committee mentioned, March the 9th. Panama, and that sort of situation festering — as we're going about a policy that still has to be done. How do you intend to take charge in the Latin American situation, or how are you going to manage, really, in the next two or three weeks, in which a good bit may happen?

SEC. BAKER: Well, I think, until Friday, Senator Lugar, the problem will continue to be managed by the outgoing administration. If I am confirmed by this committee and by the Senate, I will, of course, be able to address — to give it some attention as of the date of that confirmation by the full Senate. There are people who are in the Department who are not — who will remain in the Department and who have been dealing with these problems for a considerable period of time and will be available to continue to deal with them during that transition period of whatever it is, five or six days. I don't know, under our system, what I can do in that period, if that's the gist of your question.

I think, the way our system works, it's very important for those of us appointed to positions in the Executive branch not to presume to act before we get confirmed. And this is a policy that I have been following assiduosly for the last two months, and I expect to continue to follow it for the next week. After that, we will have, I think, the resources within the Department to deal with the issue, even though we may not have a new Assistant Secretary for Latin American Affairs either appointed or confirmed. But I think we will be able to address the problem and make decisions, and deal with it the way the outgoing administration is right now.

SEN. LUGAR: Well, that's, I realize, about the best that you can do, but could we revisit that maybe in 10 days or two weeks?

SEC. BAKER: Absolutely.

SEN. LUGAR: I'm afraid that things are drifting, and I don't really see, in the Department right now, the ability to handle any of this. And I'm -- and this must be of some disturbance to your --

SEC. BAKER: Well, as you know, Senator, it is disturbing to me. As you know from my private visits with you and the other members of the committee, I don't see an issue coming at us any quicker than this one. I think it's going to be right on our doorstep when we take office. That's what I have said in my private visits with you, and that's why I think it's so extraordinarily important that we get together, as a Legislative and Executive Branch, on what our policy ought to be down there — get a unified policy and start implementing it, because these problems are not going to go away without it, and they're going to multiply.

SEN. LUGAR: Thank you.

CHAIRMAN PELL: Thank you very much.

Senator Biden.

SEN. BIDEN: Mr. Secretary, speaking of getting together and bipartisanship, I'd like to revisit briefly a question I raised yesterday. And I either didn't fully understand your answer or didn't agree with your answer.

Yesterday I stated to you that it was my belief that it was very important that the new administration, before it hit the ground and was running, try to develop a mutually satisfactory solution to what has been a constitutional impasse for some time — and you, as the President,'s adviser, in the capacity of his adviser within the White House, understood and spoke to that issue very briefly, and it was War Powers, the question of War Powers — and that we simply try to deal with the problem in some way other than an ad hoc basis.

Now, I stated that, based on my conviction that Congress is not going to repeal the War Powers Act — and even though some have suggested that — and that the continuing practice of the Executive, which I expect would continue, of flounting (sic) the — flouting the War Powers Act, will lead us inexorably back into the morass we found ourselves in the last decade or so. And that is that a "use of force" situation will arise, the Executive will decline to send up the section 4(a)(1) report, required by the law, and we'll be right back in the thick of it, consumed by a debate over procedure rather than a debate over substance — or rather than the ability to gree on substance and form a bipartisan allegiance and alliance on an issue that's important to the United States.

And so, accordingly, I invited you, or your representative, to participate in the months ahead in a quiet, off-the-record dialogue on the subject. And your response, as I understood it, was that it would be difficult because many in the Executive Branch regard the War Powers Resolution as unconstitutional. And if that was your answer, I didn't find it very encouraging, but I'd point out that there are an equal number of members of the United States Congress who believe that the Executive's action is unconstitutional.

SEC. BAKER: I think you misread my answer, Senator Biden. What I intended to say to you was that I would be pleased to do that, but that I wanted you to understand, going in, that I was — that I could only make representations for myself and that there are any number of people in the Executive Branch, some of whom will be in the new administration, who feel very, very strongly about the unconstitutionality of the War Powers Act, beginning with the President-elect. He has spoken to this and, therefore, I didn't want you to think later on that I was proceeding under false colors.

If there's a way we can work something out, I think it would be in the best interest of the United States to do so, because we do have a government of shared power, as I have indicated. I think

that's something the new president appreciates very, very well. At the same time, he has an obligation to guard the prerogatives of the Executive, just as you have to guard the prerogatives of the Legislative. And all I'm saying is I'm happy to sit down; we will be happy, I'm sure, to explore any possibilities, but I don't want to proceed under false colors.

SEN. BIDEN: I don't want to proceed under false colors, and I clearly cannot speak for the Committee, nor for the Congress as a whole, nor for the members of my party, but I've been here now for a little bit of time, over sixteen years, and I can almost guarantee you, unless we can find an answer other than on an ad hoc basis on dealing with the issue of war powers, the hope and desire of both of us to have a bipartisan foreign policy, I think, is impossible. I know — this is the single biggest stumbling block. The reason for the War Powers Act in the first instance, rightly or wrongly, was because the congress believed, rightly or wrongly, that presidents, Democrat as well as Republican, had changed the role of the presidency and had put them in a position where they were no longer a party to the single most important question that is made in the area of foreign policy, and that is the use of force.

Now, all I'd suggest, and just as we try, I think that you have the president — I'm not suggesting that the congress not change its position. As a matter of fact, the draft proposal, after chairing these committees in extensive hearings, I think with just about every constitutional expert, pro and con, on the issue, and almost every major spokesperson in previous administrations, I, among with others — well, I don't want to blame it on them —— I drafted a new, if you will, war powers act. And all I'm suggesting is that maybe, with either your or you'll be very busy and I'm sure Secretary Eagleburger will be too, but he's a man that knows this area well, that we at least attempt to see whether or not there's a mechanism, a different mechanism.

SEC. BAKER: Setting aside the question of constitutionality, you mean, we would agree on some mechanism that would not be a ad hoc issue-specific one —

SEN. BIDEN: Correct.

SEC. BAKER: — but a generic mechanism, but we would not approach the question of whether or not there would be — there would be no acknowledgement of constitutionality —

SEN. BIDEN: Well, we may be able to --

SEC. BAKER: -- or unconstitutionality. Is that the approach you suggest?

SEN. BIDEN: The proposal — without going into it here, the proposal that I have made I believe answers most of the constitutional objections that previous White Houses have had. And so if we can come up with a mechanism you all would find constitutional, we would find constitutional and put both the organizations, the Executive Branch and the Congress, in the ball

game. I'm not sure it can be done. I'm not sure you'll agree. But I am sure of one thing, and I may be wrong. I'm sure of one thing — failure for us to do that, we are going to be at an impasse every time there is a discussion even, the prospect of, the concern about the projection of force anywhere in the world.

And I would just like to ask you not to now, at this moment, to say when or who or how. But — and I mean it when I say a very quiet, off-the-record — sit down and go through the proposal or any proposals you all may have, other than the proposal that says, "Hey, Congress, you all — you have nothing to do with this, and we'll tell you when it occurs" — something short of that. If that's your position, as I said — "you" in a generic sense — if that's your position, then I can assure you there will be no bipartisanship. That's a guarantee if that were your position. I don't — I'm not saying it is. There must be some way, in my view, for us at least to attempt to come up with a mechanism, and that's all I am suggesting, that if you'd be willing to seriously sit down and explore that possibility.

SEC. BAKER: I think that would be worthwhile, Senator. And I have absolutely no problem with that. I just — I didn't want to think, by my answer yesterday, that —

SEN. BIDEN: I have no illusions.

SEC. BAKER: -- it's not a very, very difficult --

SEN. BIDEN: No, I have no illusions about it being easy. I'm not even sure my colleagues would agree with the proposal that I've come up with, let alone getting the Executive to agree.

Let me switch gears, in the short time that we have here — that I have here. Yesterday we discussed Gorbachev's Russia; not just you and I, but other raised it, because it's probably the most — the hottest item on the agenda and the place where the most change is occurring. But what I'd like you to comment on briefly is what kind of development do you think we're actually seeing in Russia?

And let me pose the question with this background. Several models have been postulated. There is the — what I call the "Kissingerian view." Dr. Kissinger seems to perceive that the Soviets have simply taken a — have taken a breathing spell, a time out, before resuming their historically demonstrated penchant for expansion. They just want to get us to the point where they can regain their economic fire power. And then, when that occurs, they're going to come back with the same agenda, same intentions.

There was a second view when I was in Europe that I heard postulated, and that is the Soviets have been forced by economic incompetence and reality to — into a grand and perhaps permanent retrenchment, to become a — the European power and pull back from the notion of being a world power.

And a third view that I heard -- and you have heard -- is that

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we're finally seeing the fulfillment of an earlier theory of convergence, which occurred after World War II and has been discussed for some time, and that is the East and West are coming together slowly, with the Soviets doing most of the changing.

And what I'd like to know is, which model, if any of those or others, do you think they're operating on, because you said yesterday that what the Soviets do is critical and they, themselves, are the ones that are going to make the changes. But what kind of changes do you think they're making? And are they operating on the breathing spell model or convergence or something other, because obviously, depending on what we think they're doing, we may very well have a different reaction to their actions. For example — well, anyway —

SEC. BAKER: Senator --

SEN. BIDEN: -- I'd like to know, in more detail, what you think is happening.

SEC. BAKER: Yes. Let me simply say that I don't think we can tell yet. I don't — I think that the reason you have so many different scenarios is because the jury is still out. And that's why I think we should approach the relationship the way I suggested yesterday — that is, with prudence and with a certain degree of realism.

SEN. BIDEN: Do you think Gorbachev is trying to break up NATO?

SEC. BAKER: Well --

SEN. BIDEN: Is that an objective?

SEC. BAKER: -- I don't -- I don't know whether that is an objective or not. But I think it's a little too early for us to determine where that's going to go.

SEN. BIDEN: I'll come back on the 32nd round, or whatever it is -- (laughter) -- finish up. Thank you very much --

SEC. BAKER: Thank you.

SEN. BIDEN: -- Mr. Secretary.

CHAIRMAN PELL: Thank you, Senator Biden.

I just would like to acknowledge the presence here of our old colleague John Lindsay and welcome — Mayor, how are you? — and Senator Kassebaum.

SEN. KASSEBAUM: Thank you, Mr. Chairman.

Mr. Secretary, I just got back from a trip to the Middle East, and I would — as you perhaps already know — just like to say there is great optimism there on the parts — leadership of the countries that — that we visited — about your becoming Secretary of State

and certainly a George Bush President of the United States. And I would add, also, Larry Eagleburger as Deputy Secretary. So, I think this enhances and encourages the optimism that exists in the Middle East for change, for opportunities. There is certainly a feeling that — that progress can be made. I think, also, they're delighted we've gone back in session so Kodels (ph) will stop coming through. But — (laughter) — I — as often as I heard in the countries we visited that their support for an international peace conference and some type of comprehensive solution, I also was struck with really how far apart all the major players on what they really expect from the peace conference.

And I wondered if -- and my own concern, as I reflect on this, is that

if there is too great an emphasis on a peace conference, are we not raising expectations too high about an event that may be just then argued as far as the shape of the table? And is it better to be seeking, perhaps, some smaller steps that could lend support, then, for the grander agenda? And also, these smaller steps give an opportunity for a backing away from the tensions that exist right now between the Palestinians and the Israelis. It seems to me that it's easy to get focused on the grand design, and lose sight of the opportunity for some small steps that I think have to be taken to lay the groundwork.

SEC. BAKER: Senator Kassebaum, I don't think that the possibility of a properly structured conference excludes or negates smaller steps. And I don't think that the current administration made the suggestion in that context.

SEN. KASSEBAUM: No, no. I --

SEC. BAKER: So I think that we should pursue whatever avenues there are that could help us find a way to peace in the Middle East, as I just indicated to Senator Simon, but I think we ought to all be realistic about the prospects for achieving a breakthrough. I don't, you know, there is no more intractable problem facing us; there has been no more intractable foreign policy facing us for a long time. That doesn't mean that we — the difficulty of the task does not — should not deter us from making the effort.

SEN. KASSEBAUM: Oh, I certainly agree. And, in fact, as I just pointed out, there are great expectations; that, as a matter of fact, we'll provide a lot of leadership. And I think that, again, maybe hopes might be too high, and that's why I would hope that in the discussions we look to some ways to provide some smaller steps that can bring people together and start with the framework there.

I don't know if you're familiar — you probably are — with 14 points that were presented about a year ago by a group of Palestinians. These, of course, are not acceptable to all concerned. But, at some point, there is going to have to be one or two steps taken that can help disengage, it seems to me, the major protagonists, so that there can be a little breathing space to form the large agenda.

And one area, moving on, that I think plays a crucial role, is Lebanon. And the tragedy that exists in that country, not only for our hostages that are still being held there, but the continual tragedy that's being played out there. And I'd like to ask you what role do you see us playing there? And what role, more importantly, perhaps, do you see Syria playing?

SEC. BAKER: Well, I think Syria is — can be very influential in what happens in Lebanon, and from time to time, I think they have been. I think the role that the United States should play there is pretty much the role that we have been playing there recently. We have maintained a presence, notwithstanding the major problems facing that country; it's a limited presence. I think that we should continue to maintain that presence and work to the extent we can to advance reconciliation in that country. But again, we're limited in what we can do, and if the various factions that are warring there are not of a mind themselves ultimately to put it back together, it's going to be very hard for us to have a major impact.

SEN. KASSEBAUM: Well, as with much else, time is of essence, I think, there. As you perhaps know, the short list of names for the election has been rejected — put forward by the Fatriarch has been rejected by the Syrians. Iraq seems to be making some major moves into Lebanon. The parliaments dissolved in March. And there could be real chaos there. And either, it seems to me, pressure has to be increased on the Syrians and that — I am not sure that that's a role that we can exert even — but there are those who can, who we could influence. And I just — I think in many ways Lebanon holds a key right now to some efforts to bring some —

SEC. BAKER: Stability to the region.

SEN. KASSEBAUM: -- stability into the region.

SEC. BAKER: I agree with you. But it's a very, very difficult problem, as you know.

SEN. KASSEBAUM: Going on to another question, were you involved in the recent decision that we go along with a human rights in Moscow in 1991? And what's your opinion of this development?

SEC. BAKER: Well, contrary to published press reports, Senator Kassebaum, I was not involved in the decision. Again, as Secretary-designate, it's not appropriate for me to involve myself in the decision-making processes of the current administration, and I haven't. To have done so, I think, would have impinged upon the Senate's right to confirm the Executive Branch nominees.

I've had some reservations in watching the issue develop, even during the campaign, about the wisdom of holding a human rights conference in Moscow, but having said that, I have to say to you that I am impressed by the changes which are taking place in the Soviet Union and what Secretary Shultz and the President have achieved there.

I think those are dramatic changes. And I find it very difficult to

- I don't think that -- that there can be any criticism of the progress that's been made there. I mean, I think it's really been quite dramatic. More is needed. And the Reagan administration, in agreeing to this conference, has made it clear that our participation would depend on additional progress and has laid down certain conditions, and I think those are good conditions. And we

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So, we've made a commitment and we plan to keep it. It's a solemn obligation of the United States, but we're going to keep it, provided that the conditions that have been laid down are met.

will, of course, inherit the question of implementation with respect to that conference, and we'll be judging satisfactory compliance

SEN. KASSEBAUM: Thank you. Thank you, Mr. Chairman.

CHAIRMAN PELL: Thank you very much. Senator Sarbanes?

SEN. SARBANES: Thank you very much, Mr. Chairman.

LEGI-SLATE Report

with those conditions.

Mr. Secretary, right at the end we talked a bit about whose going to articulate foreign policy and what the role of the Secretary of State would be as you perceive it. And I'd like to pursue that line of thought with you this morning.

You served, as I recall, as a member of the National Security Council by designation of the President both as Chief of Staff and as Secretary of the Treasury, although neither of those positions is a statutory member of the Council. Is that correct?

LEGI-SLATE Report for the 101st Congress

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- Wednesday, January 18, 1989
Senate Foreign Relations Committee: James Baker, III - Nomination for Secretary of State (18 Jan PM) (Part I)
Briefing ID: 430812 (792 lines)

HEARING OF THE SENATE FOREIGN RELATIONS COMMITTEE

SUBJECT: NOMINATION OF JAMES BAKER III
FOR SECRETARY OF STATE

CHAIRED BY: SENATOR CLAIBORNE PELL (D-RI)

WITNESS: JAMES BAKER III

216 HART SENATE OFFICE BUILDING

AFTERNOON SESSION WEDNESDAY, JANUARY 18, 1989

CHAIRMAN PELL: (Bangs gavel.) The Committee will come to order. None of the second round questions have yet turned up, so I'll ask some of my questions, if I may, which I want to get done before we're through with the hearing. And as soon as one of our colleagues comes I will desist and wait my proper turn.

Yesterday the InterAmerican Dialogue released its new report advocating economic reform in Latin America and a variety of pretty good recommendations. It's under the leadership — co-leadership of Saul Lenowitz (sp?), and I look forward to reading the full report. And wanted to draw it to your attention, Secretary-designate Baker. And I would ask unanimous consent that the preface of the report be inserted in the official record of this hearing. Without objection, it will be done.

And I've long contended that the United States should take Nicaragua up on its offer to negotiate a bilateral accord which would address major American security concerns such as Nicaragua's military relationship with Cuba and the Soviet Union. The report of this Dialogue, also recommends that we conduct mutual security arrangement talks, and it's in our interest, in my view, to conduct bilateral talks with the Nicaraguans over this and other matters.

How do you intend to deal with Nicaragua? Will there be, in your view, an exhange of ambassadors in the near future?

SEC. BAKER: Well, Mr. Chairman, as I've said before, I recognize that this topic has been a very contentious one in our foreign policy. I hope, as I've indicated, that we can work with the Congress to fashion a truly bipartisan approach in this area, because I firmly believe that a bipartisan approach is required if we're going to succeed.

It goes without saying that Central America is a key strategic region for the United States, and I don't think that we can afford to ignore the role that the Soviet Union has been playing there as the patron of Nicaragua, and the fact that they have furnished about \$i billion in 1986 and 1987 in economic and military aid. So, I think it's a matter of fashioning a bipartisan approach and being firm and being consistent in our approach; insisting upon the —— as much upon the observance of human rights in Nicaragua as we are inclined to do with respect to some other Central American countries.

The Reagan administration, as you know, Mr. Chairman, tried on several occasions in 1984 to sit down and talk with the Sandinistas. The Sandinistas were particularly intransigent and they seemed, at that time at least, to see negotiations as some sort of a public relations tool. I have suggested that what we need in order to fashion a bipartisan approach down there is some — perhaps some schedule and some mechanism that would permit the Arias plan to succeed, some enforcement mechanism to ensure that the parties match their words with their deeds. And it would only be after we saw deeds that I think we would be willing to consider some sort of direct discussions, only after we saw some action.

Again, I think the Esquipulas II Accords afford a basis for proceeding if we can find an enforcement mechanism.

CHAIRMAN PELL: I would just observe that the worse the relations are with a nation, the more important it is in my mind that we have an ambassador there and some kind of high-level communication. And I would leave that thought with you.

As a matter of comity, since only the Ranking Member and I are here, I will now defer to the Ranking Member who I know also has some clean-up questions.

SEN. HELMS: Mr. Secretary, I know you can't read everything, certainly I can't. I was sent by FAX down in Raleigh --

SEC. BAKER: By what, Senator? By who?

SEN. HELMS: Telecopier.

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SEC. BAKER: Uh-huh. (Affirmative response.)

SEN. HELMS: An item from the New York Times on January the 8th: "UN's Angola Mission to Take Cuba at Its Word." I must confess that I do not know Perocles Ferrara Gomez (sp?), a Brazilian Brigadier General who arrived here last week to command the United Nations-Angola verification mission. Are you familiar with him?

SEC. BAKER: No, sir, I'm not. I'm familiar with the article that you're talking about. I read that myself and I found it somewhat disturbing.

SEN. HELMS: Well, so did I. I'm glad to hear that. But I'm not surprised because I don't know where this fellow is coming from. This story in'the New York Times, if true, — and I believe some of the stuff I read in the New York Times — he made clear that he and other members of the UN-Angola verification mission will essentially take Cuba's word and Angola's word for it when the team is told of Cuban troop withdrawals. We will trust, quote — "We will trust the information given by both countries, Cuban and Angola," he said. And a UNITA spokesman properly countered. He said, quote, "They need to do a little more work than just sitting at the airport counting Cubans."

Since you have the same concerns about this, what do you think we ought to do or ought to be done about this verification team?

SEC. BAKER: Well, as I indicated in testimony yesterday, Senator Helms, we're not going to be relying solely upon the UN verification team.

SEN. HELMS: That's a blessing.

SEC. BAKER: We'll be using such other means as are available to us to determine the scope and extent of withdrawal. At the same time, I think it's fair for the United States, if we're going to fund a portion of that peace-keeping force, to make it clear to the UN that we expect them to pursue the objectives for which they are there.

SEN. HELMS: You're anticipating my next question — (laughs). If that's all we're going to get for our money, I think we ought to keep it and pay off a little bit of the national debt. This is not a very impressive assessment. Well, now, I have it reported very reliably to me, and I'm sure you do as well, that the Cubans have been searching around for other countries that would consider hosting the troops being withdrawn from Angola. And specifically, according to my information, the Cubans have talked to Ethiopia, Mozambique, Zimbabwe, and also, Nicaragua, as a matter of fact. Are you familiar with that?

SEC. BAKER: No, sir. I'm not.

SEN. HELMS: So, you don't know whether the Cuban government — Mr. Castro made any contact at all. But, let's assume just for the

report of speculation, that this is going on and that these countries will agree to host these Cuban troops, which Castro definitely does not want to come back to Cuba. He's already got an unemployment problem; a lot of them have inter-married; a lot of AIDS among the troops, and that sort of thing. But, would an increase in Cuban forces in other African countries violate the agreement that Chet Crocker worked out?

SEC. BAKER: I'm not sure that that would technically violate the agreement. At the same time, I'm not sure it's something that we would look with much favor on, Senator. Could I take this opportunity to answer, in a little more detail, a question you asked me yesterday. You asked me a question about whether or not there were any understandings limiting Cuban action against UNITA. I told you I was not aware of any. I've since checked into that and at the Geneva Round of negotiations last August, the parties discussed a number of concrete steps to disengage military forces in Angola and steps that they could take to build confidence.

And in that discussion, it evidently was agreed that in the context of the withdrawal of South African military forces from Angola and the continued progress toward a global settlement, Cuban forces in Angola would not move south of the positions in Angola that they occupied at that time. This undertaking had the effect of ruling out Cuban participation in offensive operations in territory that was controlled by UNITA. That understanding, as best I believe, remains in effect.

According to the formal accords that were signed December 22nd in New York, all Cuban forces are to be redeployed north of parallel 15 by August 1, 1989, I think you alluded to July 1 yesterday, but I believe it's August 1, and north of parallel 13 by October 31, 1989. These redeployments, of course, would make it impossible for Cuban forces to participate in offensive actions in UNITA controlled areas south of those lines since their base areas lie to the south of parallel 15 and virtually all of UNITA controlled territory lies to the south of parallel 13. Cuban implementation of these provisions would make it impossible for Cuban forces to take part in any effort to crush UNITA militarily.

SEN. HELMS: Why would it be impossible? Does the memorandum say --

SEC. BAKER: Just the physical location of forces on the ground — if the understandings are lived up to, and by virtue of the location of physical forces on the ground, it would be impossible.

SEN. HELMS: Well, who's going to enforce that?

SEC. BAKER: The agreement?

SEN. HELMS: Yes.

SEC. BAKER: Well, I suppose it'll be enforced the way the other elements of the agreements are enforced, through observer teams and -- we'll have an interest, of course, in seeing to it that

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the agreements are lived up to as will South Africa and as will the other parties to the agreement.

SEN. HELMS: Well, if they — well — speculative questions are not very good, so I won't do that. Under the recent agreement, implementation of UN Resolution 435 assumes that the United Nations will oversee the conduct of free and fair elections in Namibia. However, I believe it's demonstrable that the United Nations has consistently passed resolutions declaring that SWAPO is the sole and authentic voice of the Namibian people and has provided millions of dollars each year to SWAPO. Now, do you have in mind any effort to make sure, or even require the UN to demonstrate its impartiality by stopping its funding of SWAPO and renouncing the view that SWAPO is in fact the sole and authentic voice of the Namibian people?

SEC. BAKER: We had not considered that, Senator. I'd be glad to take a look at it.

SEN. HELMS: I wish you would.

SEC. BAKER: Be glad to.

SEN. HELMS: Because you know about SWAPO as well as I do, and it's -- I think the lawyers have an expression: reductio ad absurdum -- to say that SWAPO is the sole and authentic voice of the people.

Now, I was interested in the report of the Vice President's taskforce on combatting terrorism, in which 52 — 52 terrorist organizations are identified. Would it be the position of the new administration that each of the 52 terrorist organizations identified in the Vice President's taskforce report — I've just been handed a copy of it — must renounce the use of terrorism before the United States government will deal with them?

SEC. BAKER: I -- that sounds -- that sounds reasonable to me. nd I would imagine that would be the policy --

SEN. HELMS: Well, I hope so.

SEC. BAKER: -- without having expressly considered it.

SEN. HELMS: Well, Charles Redman, spokesman for the State Department, immediately disputed the taskforce designation of the African National Congress as a terrorist organization. And I was amazed at that, because this is the crowd that puts the tires around the necks of people who disagreed with them, filled them with gasoline, and set them on fire. If that's not terrorism, I can't imagine a more accurate definition of terrorism.

Mr. Redman said, and I quote his amazing statement, he says, "The US government has not determined that the ANC is a terrorist organization. We regard the ANC as a politically diverse organization representing a range of views," quote, unquote. How do you feel about the ANC?

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SEC. BAKER: Well --

SEN. HELMS: And "necklacing" and burning people to death? Is that terrorism, or am I just imagining things?

SEC. BAKER: I think that — I think that the guidance from which you are reading would also go on to say, but we strongly differ with the ANC on some of the methods they've used to pursue certain objectives. That we agree with some of the ANC's objectives, such as ending apartheid and establishing a non-racial system of government in South Africa, but we disagree strongly with the means they use to arrive at those objectives.

SEN, HELMS; Well ---

SEC. BAKÉR: And we do disagree with those and we condemn their use of violence. We've done so --

SEN. HELMS: Well, you may have — you know that's a mean understatement to me, Mr. Chairman. I'll stop in just a minute. I'm sure the United States government may have agreed with John Dillinger or Al Capone on something, maybe motherhood or whatever, but the fact remains that the ANC is one of the most violent organizations I have heard of. This business of necklacing, and you know — Winnie Mandela held up the box of matches and said "We have the matches." Now if that's not terrorism — the — Mr. Redman's statement — did I make clear when I discussed this, that this, the Vice President's Task Force is Vice President Bush's Task Force?

SEC. BAKER: Yes, you did.

SEN. HELMS: Okay. Thank you Mr. Chairman.

CHAIRMAN PELL: Thank you, Senator Helms. We have on this round, still Mr. Moynihan, Mr. Robb and Mr. McConnell to be with us but I guess we might as well get started on the third round. I would recognize Senator Cranston for that.

SENATOR CRANSTON: Thank you very much. When my last time ran out, we were talking about the Far East and I'd like to return to that for one moment. While we're striving to avoid protectionism, and I'm in total accord with you on that and the futility of a tit-for-tat trade war, how can we ensure fair trade practices by Japan? At times it appears we're unilaterally disarming in trade competition by failing to do more to open up their markets. I know this is not an easy matter to contend with, but I think we do have to come to grips with it. I'm delighted that Carla Hills will be a member of the new team working on this particular issue, along with other trade responsibilities. But I would like your thoughts on that matter.

SEC. BAKER: You're quite right that there's more to be done there, Senator Cranston, but I really believe we've made some rather significant progress over the course of the last three or four years. You're aware, of course, of the progress we've made with respect to the yen and internationalizing the yen as a international

January 19, 1989 Page 7 EGI-SLATE Report surrency. We've made progress opening up telecommunications, electronics, medical equipment, forestry products, transportation machinery, beef and citrus. These were all very difficult negotiations, but we continued to stick with it and we ultimately prevailed. There are still too many instances in which Japanese markets are closed to, not just United States goods, but foreign goods as well. I think the answer to your question is for us to continue to be resolute in aggressively enforcing our unfair trade laws; continue to press the Japanese as our good friends and partners, and the world's second largest economy, to open up those markets. I really do believe,

SEN. CRANSTON: Yeah, well, I grant that there have been accomplishments. And I recognize that and I think, somehow, we've managed to be restrained in the protectionism that has appealed to so many. I'm glad we have.

though, that we tend not to give enough credit to what's been

accomplished over the past three or four years.

SEC. BAKER: The -- our deficit with Japan -- I've got a number here -- was increasing steadily through 1987. And now it's going to decrease from almost \$60 billion in '87, to about \$52 billion or \$53 billion in 1988, in just one year. That's a rather significant reduction in the trade deficit. Our exports to Japan are up from [\$]23 billion in 1985, to about [\$]37 billion in 1988.

SEN. CRANSTON: Are you reasonably confident that's the beginning of a trend that will continue?

SEC. BAKER: Well, we certainly hope so, and, of course, to some extent, I suppose you could argue that the exchange rate changes of 1986 and '87 are reflected in there. But I think -- we hope and believe that it's the beginning of a trend. And we think that the progress that's been made in market-opening efforts is the reason it's going to be a trend.

SEN. CRANSTON: Those certainly are good signs and I hope we can carry on in that direction.

One more thing on the Far East re the Koreas, the two Koreas. As you know, there are about to be prime minister-level discussions for the first time. This could lead to a relaxation of tensions and increased pressure for the United States to withdraw militarily from South Korea. As you know some South Koreans have already [been] urging a US withdrawal. And North Koreans have been insisting on a halt to the joint annual military maneuver, Team Spirit. As Secretary of State, how do you look upon the problem, and what will be your efforts re the division of Korea? Do you have any --

SEC. BAKER: Well, we think that the efforts that are ongoing now between the South and the North to begin to talk are probably very salutary. And we support those. Most South Koreans, and I think almost all Americans if not all Americans, value the security relationship and don't want to see US troops withdrawn unless we know for sure that the threat from the North is receding, or is

going to recede. So, I think it's a matter that we have to continue to watch; to be alert to and to study and take it as we go. I don't think that we can sit here today and say, well, within the next four years we will or we will not augment troops, or we will not — or we will withdraw troops. We don't have a crystal ball that will tell us that right here today.

SEN. CRANSTON: Turning to the Middle East briefly. As a friend of Israel, I joined a bipartisan group of my colleagues last year in an initiative that was designed to encourage greater flexibility from Israeli leaders on the idea of exchanging land for peace with the Palestinians. We made that effort out of conviction that security of a democratic Israel lies ultimately in reaching a compromise if possible with responsible representatives of the Palestinian community.

In recent months, the Reagan Administration has unnerved many friends in Israel by opening a dialogue with the PLO. I, for one, am concerned that this move should not discourage Israeli leaders from having confidence in the United States. I believe it's essential that the US not take steps which would call our enduring commitment to Israeli security into question, or which would discourage flexibility on the part of various Israeli political factions. In this respect, I'd like to ask you to expand, if you can, upon your response to Senator Boschwitz. Is it the Bush Adminstration's intention to limit contacts with the PLO to a dialogue, or do you envisage an actual PLO role in peace negotiations?

SEC. BAKER: Well, let me speak to that by telling you what I — how I envision the dialogue which, of course, has just begun and which, of course, is a circumstance that we will inherit from the outgoing administration.

As I said yesterday, I think the dialogue is not an end in itself. If it's going to have any value, it must contribute to a process that can lead somewher. And we do not establish a dialogue just to have a dialogue. In meeting our three conditions, we've seen, at least in words, a PLO commitment to the principles of peace with Israel and to the rejection of terrorism. And now I think it's appropriate that we see if the PLO is prepared to act in a way that makes it possible to translate these principles into reality. For instance, will the PLO support a process that makes peace possible? Will it support efforts to diffuse tensions? Will it act to disassociate itself from terrorism?

And most importantly, I think we need to make it clear, and I hope I have during the course of these hearings and in my testimony, that the United States commitment to Israel's survival and its security is going to remain unshakable. I don't think that there's any doubt about that. No wedge is going to be driven between us and we do not plan to put ourselves in the position of delivering Israeli concessions. It's our view that peace must be made with Israel and not with the United States.

SEN. CRANSTON: That's a very clear and, I think, a very sound

message. Will US policy remain opposed to the establishment of a Palestinian state on the West Bank of the Jordan River?

SEC. BAKER: I think I said yesterday, Senator, that our view is that the establishment of an independent Falestinian state is not the way to go, that we think perhaps it would be more appropriate to see some sort of a confederation arrangement of some type.

SEN. CRANSTON: That certainly does seem to be a sounder way to proceed.

On a related issue, I'm not asking a question, but I just want to register my concern, on the issue of proposals to arm the sworn enemies of our allies. Saudi Arabia remains in a declared state of war with Israel. Saudi Arabia leads the global campaign to strangle Israel economically. The anti-Israel boycott, which is at least the partial cause of the US obligation to give Israel \$3 billion every year, is — they're doing in major part. And while even the PLO has moved toward recognition of Israel, the Saudis make no meaningful efforts that I'm aware of to advance US interest in an Arab-Israeli peace.

I, therefore, want to make clear, just for the record, that under present circumstances, I and many others, would oppose a new major sale of military aircraft to the Saudi military. Indeed, I've joined with Congressman Mel Levine and Larry Smith in writing to President-elect Bush, to make our intentions clear in that regard. Let me add, I didn't solicit the signatures of any other senators on that letter. We sent on its own.

I ask unanimous consent, Mr. Chairman, that that letter appear in the record.

CHAIRMAN PELL: Without objection.

SEN. CRANSTON: But finally, Mr. Secretary, I'd like to return once more to the question which several members of this Committee have put to you regarding the future course of US-Soviet relations. I'm heartened very much by your comments rejecting the notion that a failure of perestroika and glasnost is somehow in the American interest. But, I remain troubled by the perception around the world today that the Soviet Union is changing, that they're taking a risk to advance arm control in superpower relations. But, the US seems to be sort of standing still, that we're somehow a status quo power now.

The Soviets remain formdible, whether adversary or something else, and we must actions, deeds, not words. But, we're beginning to see quite a few deeds, it seems to me, that match the words. There has been progress, as you've noted, on Afghanistan, INF, verification, human rights, emmigration. It really seems incumbent upon the US to respond affirmatively to these encouraging actions. So, the question I want to pressure you on just a wee bit on is this.

Do you not feel it desirable for the administration in good

time to take some initiatives too? While you and I may be comfortable with the righteousness of the American position, don't you think it valuable to do more in the court of world opinion to respond to the very real risk — and they are risks — that Gorbachev is taking? They're domestic risks for him, and they're foreign risks for him.

Can't, under your guidance, the new administration make some new proposals in good time? I know you don't want to rush into this. But, for example, they've just had another terrible harvest. How about offering them some Public Law 480 grain at cost? I'm sure American farmers would applaud that move. There are a lot of things that we might be doing.

I'm really asking two question. One, if we don't want Gorbachev to fail, and therefore, retreat again, or have his country retreat into a belligerent, paranoid, neo-Stalinist mode, then shouldn't we be taking some responsible but affirmative steps to encourage progress? And two, with the wide-spread perception throughout the world that the Soviets are now setting the agenda, that the US is sitting on its hands, isn't it essential, if only to shape international opinion, although much more is at stake, to be making some American initiatives?

SEC. BAKER: Senator Cranston, I want to disabuse you of any notion that we plan to be locked into some sort of a role of passivity here. That is not going to be the case. At the same time, we are changing administrations and we are inaugurating a new president in two days, and I really believe that the new administration deserves a little time to formulate its policies and its positions and take a look at what's been done and where it wants to go in the future. I don't think that means that we're not going to have a certain degree of dynamism in our US-USSR policies. Indeed, I would hope that we would have a fair amount of that. I just think that, as I said in my opening statement, it would be — I just believe that prudence and taking a realistic look at this is the way to go before we rush into advancing proposals or initiatives just for the sake of appearing to be taking an affirmative posture.

The Vice President was very clear, I think, in the campaign in his support of the START negotiations. He was clear in his statements regarding his desire to build on that progress. He's been one of the foremost advocates in the two Reagan administrations of movement in this area, and I really don't think that you need worry about our somehow becoming locked into a passive role in our relationship with the Soviet Union.

CHAIRMAN PELL: Thank you very much. Senator McConnell.

SEN. CRANSTON: I'd just say one word and -- I thank you very much for that and I don't expect any instant action. If you can combine prudence with dynamism in the course of time, that will be great. Thank you very much.

SEN. MCCONNELL: Thank you, Mr. Chairman. Mr. Secretary, in your statement, you touched on the importance of US-PRC ties and the Vice President's role, his personal experience will play in that whole area. Would you, for a few moments, elaborate on the US-PRC political future, particularly now that it appears as if there is a eminent warming of relationships — of the relationship between the PRC and the Soviets?

SEC. BAKER: Well, the relationship with the People's Republic of China is very important to the United States for a number of reasons, including geo-political reasons, Senator McConnell, and it's a relationship that has a special meaning, as you pointed out as far as the Vice President is concerned. It is a relationship that we intend to nuture very carefully. We'd like to see an expansion of it, not just politically and diplomatically, but economically as well. You're familiar with the steps that the Peoples Republic are taking in terms of opening us their economy and moving in that direction and we think those are very salutary steps. We note, as you do, the improving relations, the prospect of improved relations, improved Sino-Soviet relations. We do not believe that that means anything like the rapprochment that took place in the 1950s. We don't see it moving that far. And we continue to see our relationship with the People's Republic of China as very important to the United States.

SEN. MCCONNELL: What kind of potential do you think that the PRC has as a market for our products down the road?

SEC. BAKER: I think the PRC represents perhaps the largest untapped market in the world. And if I may say so, it was my experience at Treasury that generally speaking, others are stealing a march on us with respect to that market.

SEN. MCCONNELL: (Off-mike) a state that has 150,000 tobacco growers, I can tell you that it's certainly a market that we covet in terms of foreign opportunities for American cigarettes. Senator Cranston touched on the whole arms transfer problem, had some difficulty, I don't have to tell you in persuading the PRC to discontinue sales of sophisticated weapons, especially to countries in the Middle East. How do you see that unfolding? Do you think we can have more influence than we've had in the past on those kinds of transfers and what do you think —

SEC. BAKER: Well, yes --

SEN. MCCONNELL: -- we can try to do about that?

SEC. BAKER: — I think we can, and Senator Helms asked me a question yesterday that I could not respond fully to, but I can respond to in a bit more detail today and it relates to that subject. So I will do so. What you're referring to I think was the PRC's sale of some missiles to Saudi Arabia, which I think, more than anything else highlighted the necessity to work to achieve stronger international curbs on this missile technology transfer. We've stressed to the Chinese and to others, as part of a global

effort, our concern over the destabilizing nature of transfers of these kinds of weapons systems, and on a number of occasions, Secretary Shultz and Secretary Carlucci, in trips to China last year have expressed our concern over the dangers that are posed by missile proliferation, particularly in unstable areas of the world, and the Chinese leadership has responded that they will take a prudent and responsible attitude regarding these sales. Our present policy is to continue to urge China and other nations to refrain from exporting missiles with a range greater than 300 kilomters and a payload of over 500 kilograms. Bottom line is, we are making progress in this area.

Again, this is in further answer to a question, Senator, you asked yesterday. I think we're making progress. I think the Chinese know how important we see this, how important a problem we see this to be, and hopefully we can continue to make progress.

SEN. MC CONNELL: One of the principal reasons put forth in reference to our own proposed weapon sales to the Arab countries who tend to be in a hostile position to Israel is that if we don't do it, someone else will. And I guess that leads to the question of our own proposals in that regard. Where do you see us — we had a number of controversial weapons sales, particularly to Saudi Arabia, over the last few years, proposed by the administration. Where do you see us going in terms of our own policy in that regard?

SEC. BAKER: Well, I suppose those things are going to continue to have a certain amount of controversy with respect to them, Senator. But as I indicated yesterday, I hope we can — I hope we can find a better way to deal with this issue. It's incumbent upon us, I think, to let you know a little bit earlier when these things are coming up on the radar screen. And I think, on the other hand, it's your responsibility not to rule out a particular sale in advance, before we have a chance to make our case to you for the — on the merits of that particular sale.

Our policy, of course, is one of providing for the legitimate security and defense of our moderate Arab friends, and that is the right policy and it is a — it is a good policy. We really should seek to ensure that moderate Arab states — but, in particular, those of the Persian Gulf — have the means to take a more active role in providing for their defense. That takes a little bit of the burden off of us. I think we saw the value of our AWACS, the AWACS that we sold to Saudi Arabia, or leased to them, back in 1981 during the course of the Iran-Iraq war.

Our fundamental commitment to Israel's security spans eight administrations. There can be no doubt about it, as I've just outlined to the committee; and there can be no doubt but what we simply are not going to sell systems in the Middle East that undermine Israel's qualitative military edge. At the same time, we do have another very important foreign policy interest in terms of the moderate Arab states, the Persian Gulf, and in terms of trying to work with both sides to advance the cause of peace in the Middle East.

the US has been pressing Greece since last summer to extradict Mohammad Rashid, who planted a bomb on a PanAm flight in 1982, wounding 15 people and

killing a teenager. The standard for extradition is probable cause that the individual committed the attack. And, in this case, there is more than sufficient evidence that this fellow Rashid was responsible. We've all, who've followed this, been frustrated with this case and deeply concerned that the Greeks will refuse extradition again, as they did with the terrorist who attacked a synagogue in Rome killing a two-year-old boy.

Do you view this case -- if you are familiar with it -- do you view it as an important test of Greece's willingness to cooperate with the US in combating terrorism?

SEC. BAKER: Yes, I do, Senator Mitchell (sic). I am slightly familiar with the case. I'm familiar with the fact that there was a prior refusal to extradite to Italy an Abu Nidal terrorist whose last name was Osama (Abdel Osama el-Zomar). The Greeks have stated that that decision does not prejudge their decision in other cases, and specifically does not prejudge their decision in the Rashid case. We hope very much that they will see fit to extradite.

SEN. MCCONNELL: In the past, we've provided anti-terrorism aid to Greece to improve security and contribute to investigations. In your view, should we consider this option again during the discussion of the foreign aid bill?

SEC. BAKER: I think it would be appropriate to consider it, to at least look at the matter.

SEN. MCCONNELL: Since 1985, more attacks have taken place against Americans in Greece than any other West European nation; 7 people killed, 104 wounded. Should the American tourist be so advised? Is there a reason, for example, to issue a travel advisory for Greece as we did last year in the PRC when we were concerned about a terrorist threat there? And it does raise, of course, that whole question of what kind of duty we have to the flying public.

SEC. BAKER: I'm not sure that I know enough about the situation there now to answer that yes or no, Senator. But it's something we can take a look at.

SEN. MCCONNELL: Well, on the broader issue of the duty to advise in general, if there is such a duty, do you have any observations?

SEC. BAKER: I think there's a duty perhaps to advise when you have — when you have very specific and concrete evidence. Let me just say, with respect for instance to Pan Am 103, what normally happens as I understand it is if we get evidence of a specific threat, we work with security officials in the countries affected and the carriers involved. And what normally happens is that the flight is cancelled. There are any number — there are a myriad of threats that come in every day which we have to sift through and assess and make sure that appropriate security people are notified

with respect to.

I believe it's our view that if we issued a public notice with respect to each and every one of those, it would be --

SEN. MCCONNELL: There would be no flights.

SEC. BAKER: Well, plus, very quickly the public would get very cynical because nothing would happen and most of them are just that — just threats, nothing happens. So I think this idea that somehow it is incumbent upon us everytime we get wind of any particular threat to issue a public advisory or give public notice or something is — we have to look at that very, very carefully.

SEN. MCCONNELL: One quick followup, Mr. Chairman, on this same issue before we leave it. And that is the whole question of the technology currently available for searches. Do you have some degree of optimism that we can get a handle on that? I mean, the searching of baggage and passengers, is it possible to —

SEC. BAKER: I think it is, but it's going to result in a certain degree of discomfort for travellers because we need to, in order to really — in order to really make certain, you need to be a bit more intrusive in the procedures that are followed. I noted the other day that someone was suggesting that there should be — that there should be procedures applicable to baggage handling and security personel,

and, in fact, aircraft crew personnel whose luggage comes — sometimes is left unattended and then gets put on the airplane without any — without going through any magnetometer and things like that. So, I think there's room to improve security procedures. I really do question whether some sort of a public advisory or notice every time —

SEN. MCCONNELL: I happen to agree with that.

SEC. BAKER: Yeah.

CHAIRMAN FELL: Thank you very much.

SEN. MCCONNELL: Thank you.

CHAIRMAN PELL: Senator Biden.

SEN. BIDEN: Thank you very much. Mr. Secretary, I'm going to skip around just a little bit in the few minutes I have here. What impact do you think the creation of a common European market is going to have upon the United States trade situation, if and when in 1972, it comes to fruition? Right now there's a discussion that it will enhance a protective instinct on the part of Europeans; it will make it more difficult. And others argue that it will provide a unified market without all twelve different tests to meet in twelve different countries and, because we have US subsidaries in Europe who will be treated the same way, that it will give us an advantage over what we have now. What is your view? How do you see that?

SEC. BAKER: That's — this is one of the paradoxes or contraries that I think I referred to in my opening statement, Senator Biden. And it's very much our hope that the single market will be outward looking in its approach, will be non-protectionist, that in the course of breaking down barriers among nations in Europe they will not be tempted to erect barriers to those of us on the outside. We believe that the United States—Canadian Free Trade Agreement was outward looking in that respect. It was not a case of our building barriers here in North America. It was a case of our really opening markets by creating — by breaking down barriers between the United States and Canada. And we hope that's the course and direction that 1992 takes.

SEN. BIDEN: How much of a part are we playing, or you through Treasury, or will you through State, play as in the keeping tabs on and discussing with the Europeans changes as they move? For example, there's talk about, not only when the barriers come down in Europe, there will be not a common currency, although there allegedly is an availability for one that is workable, but not workable right now, that it will —

in fact, the Europeans will turn to us and say, "Well, granted, we're 320 million people, you're 240 million people. You have a unified market, we have a unified market except one thing; you have 50 different banking laws in your country, it makes it difficult for us. We're going to have one in Europe." Do you think they'll—in other words, what I'm trying to get at, do you see the prospect of the unification of the European economic market being able to put pressure on the United States to unify in areas where there's been great resistance internally, having nothing to do with the Europeans or anyone else, and particularly banking?

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SEC. BAKER: That's correct. That's right.

SEN. SARBANES: So you were in an opportunity now for virtually all of the past eight years, with the exception of the few months here at the end, to participate in the work of the National Security Council, observe its activities. What do you regard as the proper role of the National Security Council? And more specifically, what do you see as the division of responsibility between the Secretary of State and the Assistant to the President for National Security Affairs?

SEC. BAKER: I think the National Security Council's primary role is to advise the President with respect to national security matters, and to coordinate the activities of the various agencies and departments that are engaged in the national security process.

SEN. SARBANES: And what do you see your role being — the role of the Secretary of State being in foreign policy vis a vis the role of the National Security Advisor?

SEC. BAKER: Well, the Secretary of State has a statutory responsibility in the conduct of foreign policy and

as the President's principal advisor with respect to foreign policy. These are statutory obligations which devolve upon the Secretary of State, and that's the way I would see my role.

SEN. SARBANES: Do you expect, as the Secretary, to be this — other than the President, who obviously is the ultimate spokesman — but do expect, as Secretary, to be the spokesman for the administration on foreign policy?

SEC. BAKER: I would expect to be the principal spokesman, yes. I would not expect necessarily to be the only spokesman. I think there'll be other spokesmen in the State Department. There'll be spokesmen at the National Security Council. I think that's right and proper. The Secretary of State is the principal spokesman on foreign policy for the administration. The President himself is really the principal spokesman on foreign policy.

SEN. SARBANES: Do you envision the National Security Advisor as being a public spokesman for the administration's foreign policy?

SEC. BAKER: Only in close coordination with the Secretary of State. And that's the way I expect it to work in this administration.

SEN. SARBANES: If the National Security Advisor is going to be such a public spokesman, do you think he should appear before

congressional committees and testify?

SEC. BAKER: No. sir.

SEN. SARBANES: Why should he — why should he, in effect, testify publicly as a spokesman and not appear before the Committees?

SEC. BAKER: Well, because he will not be the principal spokesman. And I don't think that it's appropriate to think that the President of the United States cannot have close-in advisors who cannot speak publicly. We can't muzzle the President's closest advisors simply because they're not confirmed, in my view, Senator Sarbanes, by the legislative —

SEN. SARBANES: You see no contradiction in having an official —— I'm not talking about the private counsel which the Security Advisor may give to the President, or his workings internally within the administration in a coordinating role, in a policy-shaping role. But you see no contradiction between having such a person assume a public role, for instance, appearing on ——

SEC. BAKER: Sunday television programs? No, sir.

SEN. SARBANES: -- Sunday television programs and responding to questions from the press, and not appearing before the Congress and responding to questions from the Congress?

SEC. BAKER: I really don't, Senator Sarbanes, provided it is done in a manner that does not lead to confusion and disarray in foreign policy. And I think that's the way it will be handled in this administration. To follow that suggestion to its logical conclusion, I suppose that the President's Chief of Staff would not be permitted to appear on a television program unless he were confirmed, and I simply do not agree with that.

SEN. SARBANES: Well, the Chief of Staff usually, at least when you were Chief of Staff, interacted with the Congress rather extensively. There's always been a tradition of shielding the security advisor from the Congress. And it seems to me if that's going to be the case, some thought needs to be given as to whether the security advisor can, in effect, play a public role away from the Congress, and then, refuse from playing a public role with the Congress. I think some thought needs to be given to that because I think it's one source of potential attention and conflict between the Executive and the Congress.

Well, let me ask you, do you think that the four statutory members of the National Security Council — the President, the Vice President, the Secretary of State, and the Secretary of Defense — should all be aware of covert findings when such findings are made?

SEC. BAKER: Yes. I think so.

SEN. SARBANES: Would you work to have that implemented as a

requirement? It's not now the case --

SEC. BAKER: I would --

SEN. SARBANES: In fact, at the time of Iran-contra, one of the difficulties was you had your two major departmental secretaries involved in national security matters who were unaware of covert findings rather than —

SEC. BAKER: I think that — I think that clearly the President has to be aware because he has to make the finding. I think it's appropriate and desirable that the Vice President, the Secretary of State, and the Secretary of Defense, all be aware of covert action findings.

SEN. SARBANES: Now, one of the problems, I think, in this cooperation between the Executive and the Congress to which considerable reference has been made in these hearings. And of course, the examples that were cited by you with contrast to Afghanistan and INF with Central America. Of course, one of the problems in Central America was that you'd had legislation passed by the Congress, and actually signed by the President, and you really have a question of whether the difficulty was congressional refusal to acquiesce in the administration's policy of contra aid, or the refusal of persons in the Executive branch to adhere to the law with respect to contra aid.

And I don't — I don't want to necessarily delve into this too deeply, but I'd like to quote something that Admiral Inman said on one of the talk shows back in July of 1987, when he was asked about how our process worked, how our system worked, and what the obligations were with respect to the Executive branch once you had properly—enacted legislation. And he was asked, you know, what attitude

one should take, and he said the following — and I'm now quoting him — "My view is very direct. One should have legislation that establishes a process. You have three alternatives. You get the law changed if you think it's wrong. If you believe it's unconstitutional, you find the case and take it to the Supreme Court or you comply with the law and you work to make it work. I don't believe there's a legitimate option in a country of laws to simply go around it as the way you do business. I take it you would agree with that.

SEC. BAKER: I agree with that 99 percent. I think it's a little -- perhaps a little too simplistic to suggest that you find a case and take it to the United States (sic), because -- I mean, to the United States Supreme Court, because sometimes that's easier said than done. But, yes, I agree with practically all of that.

SEN. SARBANES: Well, if you can't --

SEC. BAKER: I agree with the conclusion. I agree with the general conclusion that you suggested there.

SEN. SARBANES: Yes. Well, if you can't find a case to take it

to the Court to test its constitutionality, you're back to the other two alternatives. You either seek to change it, or you comply with it. You can't go around it.

SEC. BAKER: Or -- well, but another way to get it up before the courts perhaps is to say -- is to suggest that it is unconstitutional. Suppose you asked for --

SEC. BAKER: Well, that's finding a case and taking it to the Court.

SEN. SARBANES: Well, all right. All right, if that fits in there, then fine. Fine.

CHAIRMAN FELL: Thank you very much.

Senator Boschwitz.

SEN. BOSCHWITZ: It wasn't clear to me what my colleague from Maryland was driving at there, but I presume that the administration is going to comply with the law and that those were certainly some difficult times that the Senator from Maryland alluded to.

Let me turn for a moment, if I may, to immigration and emigration. They're — the Soviets are beginning to relax some of their restrictions on emigration. Interestingly, when the President was there and he talked so forcefully in Russia about the — the need of emigration and the need of rights at Moscow State University and other places there, the Soviet TV, as I understand it, explained to their own people that they should understand — that they, the Russians, should understand the American attitude towards emigration, that we are indeed a country of immigrants here in the United States and that they, the Russians, are not; and so that attitudes of their country differs from attitudes of our country. And I found it interesting that on Soviet TV the commentators or announcers made those distinctions to the Russian people which had never been done before.

And it was my hope that emigration would be more relaxed, as evidenced by that; and apparently it has been somewhat more relaxed. However, Soviet emigration policy still is quite arbitrary in granting or denying rights.

And I would like to ask you what you feel we can do about that, and in your new position, what you feel you can do about that. And I'd also like to ask whether or not this administration will be prepared to receive what may be a larger flow than we have had in the immediate past. So the question is twofold: Will we be supportive of the idea of accepting an increased flow and what can we do to see that the Soviets do not arbitrarily deny exit visas?

SEC. BAKER: I've already spoken, I think, Senator Boschwitz, to the problems that are presented by increased flows —

SEN. BOSCHWITZ: Yes.

SEC. BAKER: -- all around the world and we have just recently

-- as you know, the State Department, I think, has made arrangements for an increased flow from the Soviet Union, albeit, I'm afraid, at the expense of other areas of the world.

SEN. BOSCHWITZ: Yes, that's a very difficult thing to do.

SEC. BAKER: Very tough problem. What can we do about it? One of the conditions that's been laid down for ou attendance at a human rights conference in Moscow is that the remaining obstacles to emigration in the Soviet Union be removed and eliminated. So that is, I think, a very important condition and we will continue to work toward that end. It will be the subject, as it has been for quite some time, on the agenda of our meetings with the representatives of the Soviet Union.

SEN. BOSCHWITZ: I am very aware that Secretary Shultz took a very active role in these things and he, on occasion, told me that it was important that these matters not be put at the end of the agenda; often they were put at the head of the agenda —

SEC. BAKER: That's right.

SEN. BOSCHWITZ: — that emigration shouldn't be spoken of just as they were about to break up, say, "Hold on just a minute. I want to talk to you about letting some of your people out," so that I hope that this administration will take the same active attitude that the Reagan administration has done.

SEC. BAKER: I see no reason why we would depart from that, Senator.

SEN. BOSCHWITZ: Good. I traveled to Southeast Asia earlier—about this time as a matter of fact—last year, and witnessed the plight of refugees who, really, were languishing in camps there in Thailand, and unfortunately, our troubled relationship with Vietnam often prolongs their stay under, really, very miserable conditions. One of the underlying causes of the Southeast emigration program, of course, is the difficulty in the battle over the future of Cambodia. And I would like to ask you what you see the—what hope do you see for these refugees there? What hope do you see for Cambodia as

The Vietnamese troops are beginning to leave, or apparently beginning to leave, Cambodia. The Khmer Rouge has stepped up its efforts, and to trade the Vietnamse for the Khmer Rouge would, really, not be an improvement and perhaps be even worse. How — what do see our role and what kind of hope can you give, as you look forward to the possibility of solving problems in Southeast Asia? And what hope can you bring to these refugees?

SEC. BAKER: Well, Senator, I think, as you've mentioned, there is progress toward a Vietnamese withdrawal from Cambodia, perhaps not as rapid progress as we might have liked, and maybe they didn't quite get to the 50,000 troop withdrawal that they had estimated they would achieve by the end of 1988, but they are, nevertheless, leaving. The objectives, of course, of the United States in that area are to see a Vietnamese withdrawal without seeing a return to

power of the Khmer Rouge, and we will be working to achieve that. The plight of those refugees depends, in a large part, upon affecting those two goals. We will continue to work to that.

SEN. BOSCHWITZ: What kind of hopeful sign can we give those people in the camps? They live, really, a life of despair and hopelessness, and when I was there I was very struck by that. They need — they have very many needs, of course. But, do you see some hope for those people in those camps?

SEC. BAKER: I think the hope has to be pointing out every chance we get what our objectives are in Cambodia, as I've just articulated, and furthermore, that the United States will remain committed to a resolution of Southeast Asia's refugee problems. I think we can point with some degree of pride to the fact that we've resettled over 880,000 refugees since 1975. That's quite a number and we will continue to work on the problem. I think that's the only way I know, Senator, to give them some hope.

SEN. BOSCHWITZ: Please let me turn to Third World debt and specifically to Mexico. I was very buoyed by the fact that on page 13 of your testimony you gave so much attention and importance to Mexico. As you said, it's time we regarded Mexico with the respect and seriousness it warrants, and I very much believe that to be the case, that it's perhaps too easy to ignore a neighbor and it perhaps has also been the case in - over the past years. And yet, I must say, I sometimes despair about what the Mexicans can reasonably do about their debt of approximately \$100 billion. I sometimes wonder if they couldn't buy back some of their debt. And I know that in the questioning here earlier by other Senators, the fact that the debt is selling at a discount was mentioned. So that, it might be that a country that they could find the financing, could buy back their own debt at substantial discounts, and be in a stronger position as a result thereof. What -- how do you see the relationships between Mexico and the United States strengthening, unless there is a resolution of this debt problem? And how do you reasonably see us moving forward, or the Mexicans moving forward, to resolvé that?

SEC. BAKER: Well, I think we have —— I agree with you that we have to resolve the problem. Again, I'm not sure that there is a magic bullet cure for it. I think we do need to look at voluntary debt reduction proposals and see how we can reduce the stock of debt, but we must proceed carefully. Because when you start talking about debt reduction, you have to consider it, I think, in the light of the country's continuing needs for capital. So, you have to do your debt reduction in a way that's not going to cut the country off from access to additional capital down the line so that they can grow. Mexico is one of the two cases where there has been a successful debt reduction scheme effectuated. The Mexican bond buy-back proposal, or arrangement, of a year or so ago, worked reasonably well.

SEN. BOSCHWITZ: It didn't amount to much.

SEC. BAKER: It didn't amount to as much as they had hoped, or,

frankly, as we had hoped. Because when they got into negotiation with their creditors, there was a difference of opinion on what the real value of that discount is.

SEN. BOSCHWITZ: Is there no market for that debt? Is that debt not --

SEC. BAKER: There is a market, Senator, but it's sort of — it's a thin market. The thing did work, though, to a limited extent. And, of course, as you know, the Treasury Department provided some zero coupon Treasuries to make it work. And there are any number of ways I think you can — we can build on that kind of an arrangement. Bolivia has repurchased its debt in a voluntary transaction with its creditors, and it's worked. And it worked to a much greater percentage of the outstanding debt than did the Mexican experience. But we need to continue to pursue these kinds of proposals.

CHAIRMAN PELL: Thank you very much. Senator Cranston.

SEN. CRANSTON: I'm delighted to have another opportunity to talk about these issues with you. I wanted to ask if you're concerned about the wide-spread perception that the intiative lately has sort of been with the Soviet Union, that they've been making all sorts of proposals and we've been responding or not responding, that they've been setting the agenda.

SEC. BAKER: Well, I think it's important that, as I indicated in my statement, Senator Cranston, that the United States lead, continue to lead in foreign policy. And I suppose this is a part of that. I know that the President-elect feels that it is important that we have our own initiatives and we expect to do so. I think that to make progress on issues such as this, it's up to both sides to advance proposals which can be considered.

SEN. CRANSTON: Yesterday, Senator McConnell asked you under what circumstances the United States might consider making a unilateral cutback in military strength and you stated that was too hypothetical a question to respond to and I can fully understand that. I would, however, like simply to ask that you consider the possibility in the course of time, and I know nothing will be done right away, in response to the Gorbachev announced cutback unilaterally in conventional forces. I recognize that we feel that despite that, we would still be at a disadvantage in Western Europe compared to the Soviet and Allied forces vis-a-vis the West and us, and I recognize that anything that we may do can only be done in consultation with our allies.

On the other hand, we've had negotiations going on endlessly oon conventional forces and gotten nowhere. A new effort, perhaps, is about to be launched. When you get to 22 countries, as it will involve, it's hard to count on very rapid progress, particularly with France expected not to be enthusiastic about anything in particular being accomplished.

So, I wonder if it -- and I'm not asking you to comment, but I

wonder if it might be worth considering that we try to shortcut the process by, at some stage, announcing a unilateral move of our own which could then be exactly the way we want to do it rather than something that would have to be worked out with the Soviet Union. It should only be done in consultation with our allies. It, I suppose, should be asymmetrical since we feel that we are still at a disadvantage.

But if we could make, at some stage, a unilateral reduction, that would achieve now something that might otherwise be achieved a long time hence, and it might well precipitate a second cutback by the Soviet Union in whatever way they choose to do it, and then we could respond with still another of our own. I simply suggested that might be a way to speed the process, improve our relationships, conceivably, quite possibly reduce tensions, and quite possibly reduce costs for both of us. We both would like to get to some of these heavy — (audio break) — expenditures and personnel expenditures off the backs of our economies. And it might well move

far more swiftly to the point where we might ultimately get, but also might never get, through the complicated process of negotiations.

Another suggestion I'd like to make to you relates to Central Europe. I gather that most Soviet experts in our country and in Western Europe feel that Central Europe is probably the most dangerous place now in terms of our hopes for progress in Soviet-American relations. It's where the cold war began and it's quite possibly where some new problem could emerge, the people there seeking change by demonstrations and perhaps by violence that could pose a very difficult dilemma for the Soviet leadership and could set back progress toward democracy and greater freedom and diversity in Central Europe, and also set back the processes that we see going on in the Soviet Union. So it seems to me it's an area that we have to watch with great, great care.

I've been told, and I don't know if this accurate or not, that it's been US policy to inhibit discussions of Central Europe between American diplomats and Soviet diplomats or representatives. I can understand the origins of such a policy, but I wonder if such a policy is wise now. And if it still exists, I would simply suggest that you take a look and consider ending that policy so there could be a clearer discussion about a very important area between two powers that have great stakes in that part of the world. And again, that would have to be something done in consultation with our Western European allies.

SEC. BAKER: That's right.

SEN. CRANSTON: Another area I'd like to touch upon just briefly is to say that in regard to Cambodia, I'm delighted that Senator Boschwitz brought up the circumstances there in the context of refugees. I'm glad that you stated that you recognize the need to seek to prevent the Khmer Rouge from coming back to power as the Vietnamese pull out. And it's sort of analogus to the situation in Afghanistan that Senator Humphrey mentioned yesterday where we want

the Soviets out, but we're concerned about what happens next. And while we want the Vietnamese out, we're also obviously very concerned about what happens next in Cambodia. It would be tragic if we simply had a trading of the Vietnamese forces for a resurgent, powerful and in control Khmer Rouge. So I'm delighted that you intend to do all you can to devise policies that can prevent that. It seems to me that we haven't really thought that through, and it may not be desirable to get the Vietnamese out until we know what will happen next.

Senator Dodd yesterday brought up one aspect of United Nation financing; I'd like to touch upon another. The US is now over \$500 million behind in payments to the UN. The President said last fall that the arrearages would be paid in full over a five-year period and that full funding of our '89 assessment would be requested.

So I'd like to ask, is it going to be the policy of the Bush administration

to request full funding for the UN this year, and presumably, in future years, and will it offer a more-detailed schedule for seeking the necessary funds to bring the United States up-to-date in meeting our obligations to the UN?

SEC. BAKER: You mean, more detailed in five years?

SEN. CRANSTON: Yes, as to how we're going to catch up, and then, stay abreast.

SEC. BAKER: With this, as with other budget questions, Senator Cranston, I have to answer by saying that we, of course, have not had budget discussions yet. I do not know the extent and scope to which we will be — the President-elect will decide to modify the Reagan fiscal '90 budget. So, that's something we will be addressing very soon in the George Bush presidency.

The President-elect was a former Ambassador to the United Nations from the United States, and I would suspect that he would be sympathetic to continuing the request for full funding this year. That would be my guess, although I've not discussed specifically with him, and that he would probably be inclined to resubmit the Reagan administration's request for at least a ten percent down payment this year on arrearages. It's a matter we'll have to develop.

SEN. CRANSTON: Yes. I understand that. Re: the sitation in Asia, I've read with interest your comments regarding the importance of our security and economic ties to the Pacific Rim. I'm Chairman to the Asian Subcommittee of this Committee. I'll be dealing with those issues once again in a series of hearings next month up and down the West Coast. I'd like to ask you about just a few of those issues.

Given our aversion to Japanese rearmament, how do you think we go about encouraging Japan to take a greater role in promoting democracy and security in East Asia and varying the burdens that

we've carried so heavily without raising the specter of a rearmed Japan?

SEC. BAKER: I think we do it the way we are doing it in conjunction, for instance, with the multilateral assistance initiative for the Philippines. They can do it in ways like that that would not raise the specter of problems with their constitution or a rearming of Japan. We've talked to them as well about additional contributions by way of dealing with problems such as the Third World debt problem. There are lots of ways that it seems to me that Japan is the world's second largest economy can contribute without tying it to defense expenditures, and contribute to the security of the Pacific Basin.

SEN. CRANSTON: Thank you very much. My time's up.

CHAIRMAN PELL: Thank you. Senator Pressler.

SEN. PRESSLER: Thank you very much, Mr. Chairman. To follow-up on some of Senator Cranston's questions on Central Europe. And also, the European Subcommittee this year will be holding hearings. Senator Biden has announced on a number of European matters,

and many of these bigger issues have been covered in other Senators' questioning. But following up on a question I asked yesterday regarding the human rights situation for Albanians in Yugoslavia; as you know, there has been some pressure from the Yugoslavian Serbian Republic to place the province of Kosovo, which has fewer than 25 percent Serbians, under the control of the Serbian Republic. Now, in the past, our State Department has opposed efforts to deny Albanian Yugoslavians there the right to manage their own political affairs within the framework of the Yugoslav federal system, which is currently under great strain. Will you continue past Department policy and oppose efforts to destroy the — what I consider the few remaining political rights of the Albanians there?

SEC. BAKER: Senator Pressler, I can't give you a categorical yes of no on that. All I can agree to do is take a look at the issue, which I will do, and let you know promptly, at the beginning of my tenure, what our position will be.

SEN. PRESSLER: Thank you.

What do you foresee, during your time, in the level of troops we have in Europe?

SEC. BAKER: Well, I think that this whole issue of US troop strength in Europe, and burdensharing and the like, is something we need to continue to discuss with our NATO allies. We need to, of course, consult very, very closely with them on all of these matters. I have not formed an independent judgement on whether or not we have too many or too few troops in Europe. It's something that I'll be dealing with after I take office. And again, all I can do is say that I would be pleased to take a look at that specific issue, although it probably falls, perhaps more appropriately, within the province of the Defense Department.

SEN. PRESSLER: Well, I hope you will take leadership in that area.

During the campaign, President-elect Bush characterized Turkey's Armenian policy from 1915 to '23 as attempted genocide. Do you anticipate any revision of this characterization under your leadership at the State Department?

SEC. BAKER: Again, I'd have to take a look at that, Senator Pressler, because I'm not in a position to give you a categorical answer here today.

SEN. PRESSLER: Do you have any view on it?

SEC. BAKER: Well, I'm familiar with the issue generally. I have no reason to believe that we would change what has been the present policy and position.

SEN. PRESSLER: An issue I've spent some time working on is an admininstrative one. I find that in Europe and elsewhere, the State Department spends a huge amount of money on expensive, short-term leases to house its principal diplomats overseas. And, in part, that may be Congress' faultm, in the sense that budgetarily, we are forcing some of the departments to lease rather than buy. But particularly in the case of the residents of our representative to the Vatican, we leased it, fixed it up for security purposes with a short-term lease, then we had to re-lease it at a much, much higher rate. In other words, I think we're being robbed by some of these countries, or individuals, in these short-term leases. And I know that -- I've talked to George Shultz about this, and he said one person just formed a unit to look into this. But around the world, in part because of our budgetary system and in part because of decisions being made, we are not owning as much -and then some countries won't let us own. And -- but it's an area where we're losing millions of dollars, in my judgment. Are you aware of that? And what leadership will you provide?

SEC. BAKER: Well, I am aware of the fact that we have gone, more and more recently, toward lease arrangements. We still — I am also aware of the fact that we still happen to be a very, very large owner of real estate abroad. I think that this is a — it's an appropriate issue to examine, Senator Pressler, and I would expect that the new Under Secretary for Management would have that right at the top of his agenda, along with some other things.

I suppose an argument could be made that if these terms are appropriate, you can get a better deal leasing. So, I don't know that it's — that it's necessarily all a one-way — a one-way street. It's something we ought to take a look at, and I will.

SEN. PRESSLER: I'll send you over some work my staff and I have done on it, and --

SEC. BAKER: Fine.

SEN. PRESSLER: -- I'd appreciate that.

SEC. BAKER: We'd like that.

SEN. PRESSLER: Do you see any change in the diplomatic status San Marino?

SEC. BAKER: Well, again, I'll have to look into that, Senator.

not familiar with the --

SEN. PRESSLER: All right.

SEC. BAKER: -- diplomatic status of San Marino.

SEN. PRESSLER: Switching to — to the Middle East — recently, a trip to Saudi Arabia, it was pointed out to me that arms from ope are a key issue, that many of our European allies actually the United States foreign policy in the Middle East as an excuse advertise the availability of their weapons — some of our good ies. I think yesterday Senator Helms brought up the matter arding — the matters regarding the chemical weapons, where the plies came from. Throughout the Middle East, I find that some of good allies — their salesmen, at least, use our foreign policy an excuse, and so forth, to sell large amounts of arms to almost body who will buy them. And some of them say they just sell them countries that are going to use them defensively. I think that's den's explanation.

What steps or what jawboning could you do, as Secretary of te, to get these — our European allies, in particular, to be e responsible in the way they sell arms?

SEC. BAKER: Well, I think we can talk to them to the extent t there's any irresponsibility. But I'm not sure I'm aware of cific instances of that, Senator. There will be very little that can do to prevent them from responding to legitimate requests for s from other countries if we are not going to — if we are not no to respond to those requests ourselves. And I don't —

SEC. BAKER: We had never --

SEN. DODD: We had never recused ourselves --

SEC. BAKER: -- argued "no jurisdiction" before this case?

SEN. DODD: No. In fact, we used the court, in fact, on the mian issue, in fact.

We now are in the awkward situation, as we approach the Moscow ference in 1991 — and it may be a very good issue and this is I raise it with you — if you look at the nations now in whose pany we share who recuse themselves, it is Afghanistan, Albania, eria, Angola, China, Byelo-Russia, Czechoslovakia, Hungary, Iran, q, Libya, Mongolia, Mozambique, Poland — it goes down the list and ourselves. And they're not the only ones. They're not just xist countries or South Africa or right-wing regimes in the case

Paraguay. But it seems to me that if we're moving in that ection where we believe that international human rights are pretant, there ought to be some multilateral agreements on these ugs, we're coming up to that point. It might not be a bad oach to reexamine the issue of the compulsory jurisdiction of court. I would just raise it as something for you to look at.

SEC. BAKER: But wouldn't the appropriate time to do that be next time we were called upon to answer in the court?

SEN. DODD: Well, it seems to me, yeah, you can say that. But problem is, of course, what happens, as you can imagine, is you the self-fulfilling prophecy. I mean, countries will agree to it themselves to the jurisdiction of the court when they're ortable with it, when it serves their interest. We were angry Iran would not submit itself to it, so in regard to the timate points we raised at that particular juncture.

If you're going to have countries being able to move in and out hat forum, depending upon whether or not they think they're g to like the outcome or not, then you might as well abandon the e process. It seems to me it's become sort of moot, in my view. it seems to me if most of the countries who are presently sing themselves from the jurisdiction of the court fall into e countries in the Marxist governments around the globe, it may be a bad issue to examine prior to the Moscow conference in . And I would just raise that as a point.

SEC. BAKER: All right, sir.

SEN. DODD: Lastly, I -- well, I just would -- let me just make mment and ask you to comment on it, if you would. Senator anes and I just recently came back from about three weeks in e, Argentina, Uruguay and Brazil. In the case of a country like uay which is clearly now moving in the democratic column and ngly so, one of the complaints we oftentimes hear is that once tries move in that direction, they don't seem to get the same ee of attention that they do when they are problems. And that's ous on its face. But nonetheless, there is a concern that we to be more concerned about nations that are "on the cusp," if will, or possibly moving in the other direction, rather than iding that kind of consistent support once countries have moved hat direction as an example of our commitment to democratic esses. And I cite the case of Uruguay, it comes to mind as one. a Rica is another, which now over almost 50 years has sustained cratic governments.

SEC. BAKER: Right.

SEN. DODD: Guatemala is clearly moving in that direction now the — and moving into a — apparently, hopefully — a eful transition in government. But the notion somehow that you often, and I'm sure you've heard this as well, that once we in that direction, clearly we don't seem to get the same degree upport and backing that we did when we had a group of guerrillas he house.

SEC. BAKER: "Squeaking wheel syndrome," right?

SEN. DODD: Yeah, exactly.

CHAIRMAN PELL: Thank you very much indeed, Senator Dodd.

Senator Humphrey.

SEN. GORDON HUMPHREY (R-NH): Thank you, Mr. Chairman.

Mr. Secretary, Senator Kassebaum earlier this morning raised subject of Lebanon. I want to second her concern.

A president can't win everywhere, and certainly one of the ses where this administration didn't win was Lebanon, but I — I understand there's sort of a gun-shyness at the State stand now about dealing with that situation, and I wanted to erscore the importance of undertaking anew an effort to bring order and permanence of government to that troubled country, only for the sake of the people of Lebanon itself, but as prtantly for the sake of Israel, whose northern frontier can be secure with Lebanon in turmoil.

You will recall rocket attacks being launched from Lebanon onto ael and terrorist attacks being launched for there. And that, of se, was the reason Israel had to invade Lebanon at great cost. Dably setting back the "peace process," so called, years. And simportant that we not let past failures there scare us away mundertaking anew an effort to bring some order to that place. So I would urge you in the next few weeks to, along with all of other things you've been urged to do by members of this scient Committee, to have a close look at that.

Flying across the Middle East and Asia over to Taiwan, we all this Senator anyway — I think all of us — applaude the innings of liberalization on the Mainland, just as we applaud se in Moscow. But they're only beginnings, and as you've said, want more than just the rhetoric of change. We want real change. simportant that we continue to stand by our pledges to Taiwan, I prefer to call it, the Republic of China.

Are you aware of -- have you been briefed on any weapons lests made by Taiwan to us?

SEC. BAKER: I'm aware generally, Senator Humphrey, that there be a — there may be one request in the pipeline. I'm not aware the specfics.

SEN. HUMPHREY: Yes. Well, you've emphasized your intention to a bipartisan foreign policy and to consult with Congress.
Id you be willing to

se us of requests from Taiwan in the areas of weapons so that we monitor, from time to time, whether Taiwan security needs are ng met according to our pledges?

SEC. BAKER: Well, I think so. I don't see any reason why we uldn't do that.

SEN. HUMFHREY: Thank you.

SEC. BAKER: You're talking about requests that we intend to nit, or just request?

SEN. HUMPHREY: Requests.

SEC. BAKER: Requests. Yes, I don't -- I -- I have no problem ng than.

SEN. HUMPHREY: Thank you.

Let me say this, Senator, since you have a particular interest te — and let me say that I do, too, and I think that — that I'd to make it clear for the record that we intend to remain a lable friend of Taiwan. We do have some trade problems with an that you're aware of —

SEN. HUMPHREY: Yes.

SEC. BAKER: -- and that we need to address --

SEN. HUMPHREY: Yes.

SEC. BAKER: -- and that Taiwan needs to address.

SEN. HUMPHREY: And which Taiwan is striving to.

SEC. BAKER: They're -- they are making --

SEN. HUMPHREY: They're doing one of the better jobs --

SEC. BAKER: They are making --

SEN. HUMPHREY: - in trying to deal with it.

SEC. BAKER: -- progress, and they're -- they are making gress, but more needs to be done --

SEN. HUMPHREY: More needs to be done.

SEC. BAKER: -- both in the trade area and in the area of their ange rate.

SEN. HUMPHREY: Yes. I'm glad to hear you say that.

We — there's been some modest effort in this administration to his moving now to the area of foreign assistance — some modest art to shift the emphasis from government to government programs or AID to US assistance to private entities as a way of breaking cycle of government-to-government programs, as a way of the cycle of supporting, in effect, socialism of one degree mother and encouraging free enterprise. You made that wonderful

tement about freedom coming from God, and economic freedom is one the important freedoms, as well as political freedoms. At bottom , it means the property of one's labor being protected.

I would urge you — and I know you're inclined in this ection as a Texan and as a Republican — a self-described servative, however pragmatic — to really put some emphasis on fting our foreign assistance program in a way that we will be puraging free enterprise and private ownership and private perty, as opposed to continuing this now decades—long cycle of assisting socialism is what it really comes down to, ernment—to—government programs under which government spends—eign government spend the aid on the government programs of one dor another. How do you feel about that?

SEC. BAKER: Well, I've worked very hard to do that in my other acity — in my prior capacity as Secretary of the Treasury, and have — we have worked vigorously to get the International etary Fund, the World Bank, and other multilateral financial ould — I don't think it would be appropriate for me to suggest you that we could do anything by jawboning there. If there — t's inappropriate, such as instances that we discussed yesterday to the weapons are very destabilizing, where they're not ensive weapons, where they relate to chemical capacity or missile acity, I think there's a lot we can do there. So I really think is more the nature of the weaponry that will determine than thing else.

SEN. PRESSLER: I had the chance to return to Vietnam earlier spear where I had served some years ago in the Army. And I am a sponsor of Senator McCain's legislation to establish interest ions there, in part, because I think it would save us money, have we're now sending people over from Bangkok to deal with some the Orderly Department program, and so forth. The Department has used Senator McCain's bill on establishing interest sections in the control of the control o

SEC. BAKER: Again, I'll have to look at that. But, off the of my head, I think it might be a bit premature to do that, bough we are pleased to see the Vietnamese leaving Cambodia. We indicated to the Vietnamese that their departure from Cambodia condition of our moving toward any sort of normalization; that, their satisfaction of us on the POW-MIA issue.

SEN. PRESSLER: It was my general observation that presently dealing with this with special missions and, actually, in a expensive way and in perhaps a less orderly way. And also, if are are any prisoners of war there, which I personally doubt that are are at this point, but if there are, they would — we would a better chance of finding them, so to speak, if we had some ican interest sections so there'd be somebody there, so to ak, that they could contact, or somebody who could tell them it, or we'd have people moving around. Would that be your peent on —

SEC. BAKER: Yes, but -- well, I think that's correct, from

that standpoint it would be an advantage. But I do think you need to weigh against that the perception that you would be in fact moving toward normalization before the Vietnamese had left Cambodia, and before we'd had a resolution of the POW-MIA issue.

SEN. PRESSLER: Thank you, Mr. Chairman.

CHAIRMAN FELL: Thank you very much. Senator Dodd.

SEN. DODD: Thank you, Mr. Chairman. Mr. Secretary.

I wonder if we might, just for a few minutes, give you a chance to give us some thoughts on human rights as a part and parcel of foreign policy initiatives. Over the last, I guess 15 years or so, we've seen human rights elevated, not that it wasn't important — unimportant in the past, in fact, arguably in the late '40s and '50s was maybe even more important to many in this country. But nonetheless, we've seen it elevated to a much higher level than it had been in the past. And I wonder if you might share with the Committee

your views on how human rights ought to relate to our national security policy — how it fits in, in your view, or how you would anticipate it to fit under the Bush administration? And secondly, as part of that, if you might share with us — we'll all recall earlier statements about distinguishing between totalitarian and authoritarian governments in applying a different standard of human rights in those situations whether or not you believe that a different standard ought to be applied. If so, why? And if not, why not?

- Wednesday, January 18, 1989

Senate Foreign Relations Committee: James Baker, III - Nomination for Secretary of State (18 Jan AM) (Part III) Briefing ID: 430814 (953 lines)

SEC. BAKER: Well, I think the human rights, as I've indicated earlier in my testimony here in answer to questions, is one of the very basic foundations of our foreign policy, and for that matter, our national security policy. I think we should — I'm pleased to see the increased emphasis that that has received in recent years, as I'm sure you are. I think it's important because I think it's concern for human rights and for freedom that sets the United States apart from many other nations in the world. So, I think it's very important that we keep it as a major component.

I also said yesterday that I don't think that we should distinguish in our human rights standards in application between situations where human rights are violated on the left or situations where human rights are violated on the right. I think our standards ought to be straight and we ought to play it down the middle. So, you asked me, are there ever any situations in which the national security interests of the United States would require that we somehow —

SEN. DODD: I didn't ask that, but --

SEC. BAKER: That's really what your question --

SEN. DODD: But, how do you try and balance that, in your view? What criteria would you sort of use? How do you approach that?

SEC. BAKER: Well, I think the criteria you use is to approach it on the basis I've just outlined first. That should be our standard, and that should be our guide, and that should be our guide, and that should be goal and our driving philosophy. I suppose that occasionally there are — will be situations where — and I can't pinpoint one and wouldn't, and I don't have one in mind where — we won't get 100 percent of what we would like in human rights performance from a particular nation whose policies might have a major, major impact on the national security interests of the United States. So, I think that you do have to have some degree of flexibility, that you can't be too rigid or you'll wrap yourself — wrap yourself up in too much red tape. I think that you've got to be flexible, but I don't — I really think we should think very long and hard about coming off of that major standard that I've just outlined.

SEN. DODD: I appreciate that, and I don't have any difficulty with that response either. There are four outstanding treaties, or covenants, that have been kicking around. They were drafted, originally were drafted — some of them go back to 1951. In fact, we were the country that insisted upon many of them at the outset; in fact, we were principally involved in the crafting of them.

I'm speaking of the Covenant of Economic, Social and Cultural Rights, the Covenant on Civil and Political Rights, and the Civil and Political Covenants Optional Protocol. And the last one is the American Convention on Human Rights. Now some of these are a little later in time, but they begin in '51; were submitted, or signed, I think, in the Nixon administration, and then in a couple of cases some of them were signed in the Carter administration that had been languishing around. I might, first of all, ask whether or not it would be possible for the Department, once you get going — I don't mean in the next week or two — but if you might submit — there are a number of other treaties that are around aside from these that I'd like to ask you about.

SEC. BAKER: These are treaties?

SEN. DODD: Treaties or covenants. I think they all fall under the treaty category. They're covenants. The three I mentioned are covenants. The last is the American Convention on Human Rights, which would fall under the treaty category. They would be treated as treaties, certainly for purposes of ratification; require Senate ratification. There are others as well —

SEC. BAKER: Are they multilateral covenants --

SEN. DODD: Yes, they are.

SEC. BAKER: -- or bilateral covenants?

SEN. DODD: They're multilateral. I wonder if you might, first of all, with the oustanding treaties that are around, which are up here, have been signed, but nothing has happened, if we could get a priority list from the administration as soon as practicable about which, if any, of those treaties you would like to see this institution move on. You may take the decision you'd prefer we didn't move on any of them, but it might be helpful to us in terms of our workload.

SEC. BAKER: Well, let us take a look at it, and we will do so.

SEN. DODD: With regard to these specific ones, I don't know if you've had a chance to examine them at all in preparation for these hearings.

SEC. BAKER: No, I haven't.

SEN. DODD: Well, I would appreciate it if you would take a look specifically at those, because they put us in that situation. Now there are some legitimate concerns, in my view, over the issue of sovereignty that have been raised by some. But they're not insurmountable concerns, in my view, either. We were able to deal with the genocide convention, which had been around since the late '40s, in the last Congress, I believe, or the Congress before. I think we could deal with these as well.

And thirdly in this regard, I'd like to raise the issue of the

International Court of Justice. In the last — or in the previous — or in this administration — I don't want to send it off earlier than its time — we changed a view. We decided to recuse ourselves from compulsory jurisdiction of the Court, you may recall, around the mining of the Nicaraguan harbor issue. It was that fact situation which caused us to change a position we had held for a number of years, since the Court was founded.

SEC. BAKER: I didn't — excuse me, Senator Dodd, but I didn't realize that. I didn't realize that we had ever — and I'm not — I'm far from an expert on this — but I thought — I did not know that we had ever submitted ourselves to the compulsory jurisdiction of the ICJ.

SEN. DODD: We had held ourselves in that group of — there are about 50 nations which were — which allowed itself or put itself in that position. We felt that strongly about it. In fact, we were the authors, in many ways (?), and the founders of the International Court of Justice.

SEC. BAKER: Yes.

SEN. DODD: So up until that decision, we were in that -- institutions

to put more emphasis on the private sector, to make more loans through private sector efforts, to emphasize free market economic reforms. And we've had some success. I mean, more and more we see countries moving to that, as I indicated in my opening statement. I think the same principles can well apply to foreign aid as foreign aid, yes.

SEN. HUMPHREY: Good, I'm glad to hear you say that. Will you undertake a very careful study of that situation? And the progress that has been made within AID, as opposed to these multilateral organizations over which you had jurisdiction at Treasury, has been minimal. There was a little division the Department set up, but not much has been done. And much needs to be done if we're going to get maximum value for our foreign assistance dollars.

Now, speaking of dollars, have you had a chance to review the budget submission sent up by the current Secretary of State?

SEC. BAKER: No. I'm familiar generally with the fact that it asks for \$3.8 billion and so forth, and so on. A few of those categories I'm familiar with, but I haven't seen the detailed submission.

SEN. HUMPHREY: Well, as I read it, the total authorization --

SEC. BAKER: Is four-two. [\$4.2 billion.]

SEN. HUMPHREY: Well, the figure I'm reading from here is 4.4 [billion dollars].

SEC. BAKER: Yeah.