

The people of the United States and Israel share common moral and democratic values, and are committed to pursuing just and free societies. For nearly four decades, despite tensions and disagreements, the special U.S.-Israel relationship has continued to reach new heights of cooperation because of the strength of these bonds tying the two allies together.

The American Israel Public Affairs Committee (AIPAC) is committed to promoting, preserving and protecting strong and consistently close relations between the United States and Israel. To enhance this relationship, AIPAC's 1987 issue priorities include:

- * maintaining the necessary levels of grant U.S. economic and military assistance to Israel;
- enhancing the framework for meaningful strategic cooperation between Israel and the United States and maximizing the participation of Israel as a major non-NATO ally;
- opposing U.S. sales of sophisticated weapons to Arab countries which consider themselves in a state of war with Israel or do not make peace with Israel;
- amending the Arms Export Control Act to restore the principle of majority rule of Congress in controversial arms sales;
- * promoting direct peace negotiations and normalization of diplomatic, trade, cultural, political and other relations between Israel and its Arab neighbors;
- implementing and maintaining the principles of the U.S.-Israel Free Trade Area.

Arab-Israeli Conflict

The refusal of the Arab states, with the exception of Egypt, to enter into direct negotiations has obstructed the peace process and prevented Israel and Arab nations from finding peaceful solutions to their conflicts. The Arab states must enter into direct negotiations with Israel with the intention of concluding peace treaties.

Jordan commendably has taken steps to distance itself from the terrorist PLO. The forced shutdown of the PLO offices by King Hussein in June 1986 sent a message that radicals and terrorists are not welcome in the Kingdom. We encourage the King to appoint Palestinians from the West Bank and Gaza not affiliated with terror to join him at the negotiating table with Israel. While Hussein has on occasion expressed to Congress his intent to enter into negotiations with Israel, his word has not become his deed. Disturbingly, Hussein's representative to the United Nations voted this year as in the past to "isolate Israel in all fields" and proclaimed that Israel is not a "peace-loving nation," laying the groundwork for expelling the Jewish state from the U.N. And, instead of lauding then Prime Minister Shimon Peres' historic talks with Moroccan King Hassan,

Hussein accused him of causing "a new crack in Arab solidarity."

The Government of Israel has continued to adopt measures to improve the quality of life for Palestinians on the West Bank and Gaza ranging from the opening of an Arab bank in Nablus to returning the reins of municipal government to the local Arab inhabitants.

The Government of Israel have been tireless in the quest for peace. Prime Minister Shamir has called for direct negotiations and Foreign Minister Peres has met with Palestinians from Amman and the West Bank striving to foster a principled, trustworthy leadership. He has traveled to Egypt and Morocco and expressed his willingness to go anywhere to meet with credible and responsible individuals whose motives are peace.

Hussein's efforts to forge a Palestinian leadership in the West Bank through the West Bank development plan are laudable. Unfortunately, the United States, while sending encouraging verbal messages, has contributed only \$19.5 million to this in the past two years. Taking their cue from Washington, the Europeans have been particularly reluctant to contribute to the effort.

Saudi Arabia, along with Kuwait, has actively moved to undercut King Hussein and to bolster Arafat's PLO by donating \$9.5 million and \$5 million respectively to revive a committee dedicated to promoting PLO influence in the territories.

The transfer of arms to the Saudis, such as the AWACS in 1986 and the sale of Harpoon and Sidewinder missiles the same year, have not prompted the monarchy to contribute in any significant way to the Mideast peace process. On the contrary, they have sought to boost the radicals and dissuade the moderates from pursuing peace, opposing initiatives that might have bought Arab governments to move toward peace.

President Hosni Mubarak returned Egypt's ambassador to Israel, following agreement on the arbitration of the Taba dispute. He invited Peres to Cairo on two occasions. We encourage the Egyptian leader to extend his hand to Israel's current premier, Yitzhak Shamir, as well. We praise Mubarak's decision to close the PLO offices in Egypt following the Palestine National Council's condemnation of Egypt's peace treaty with Israel. Instead of insisting on PLO participation in any negotiations, Mubarak should urge King Hussein and moderate Palestinians to talk to Israel directly and unconditionally.

The United States should continue to encourage King Hussein to enter into direct and meaningful negotiations with Israel. It should not provide the King with military assistance and weapons before he makes good on his repeated promise to seek peace -- by sitting down in direct, face to face negotiations with the government of Israel.

Because it is critical to creating an environment conducive to peace in the territories, AIPAC supports increased U.S. funding for the West Bank Development plan and calls upon our European allies, Japan and moderate Arab countries to contribute substantially as well.

Arms to Israel's Enemies

Despite reductions in oil revenues in the Arab world, Israel's enemies continue to purchase weapons to add to their already bulging arsenals at an alarming rate. According to the U.S. Arms Control and Disarmament Agency, five of the seven largest arms importing nations in the world are Arab nations at war with Israel: Iraq, Saudi

Arabia, Libya, Syria and Jordan. And, it may be significant that despite its economic problems, Egypt was the fourth largest importer, ordering in 1987 some \$1.3 billion worth of American weapons alone.

Saudi Arabia led the Arab states in military expenditures this year spending more than \$18 billion on its military, a sum equal to over 75% of Israel's entire GNP. Saudi Arabia continues to seek military capabilities far beyond its own legitimate defense needs and continues to fund Syrian and Jordanian arms purchases and PLO terrorist activities against Israel. Saudi Defense Minister Prince Sultan made clear in a Washington Post report that this arsenal is meant for use against Israel, not Iran or the Soviet army in Afghanistan.

Syria has made major efforts to expand and improve its armed forces since its defeat in the 1982 fighting. All branches of Syria's military have grown. Assad has made it clear he is preparing for war. New anti-aircraft systems, Syrian pilots have spent the last year training in the Soviet Union. The Syrians have acquired Soviet SS-21 tactical ballistic missiles, another piece of first-line equipment for Soviet forces facing NATO. The accuracy of these new missiles increases Syria's first strike capabilities against key Israeli installations including air bases and mobilization points.

Jordan has placed orders to increase inventories of tanks, artillery, anti-aircraft systems, air-to-air missiles and other munitions. Jordan is seeking to improve its air defense capability through the acquisition of advanced fighter aircraft missiles. If acquired, this would directly threaten Israel's margin of air superiority. In addition, some have suggested that the Administration may mobilize the I-Hawk surface-to-air missiles in Jordan, which would further threaten Israel.

Since 1980, Iraq, which has sent forces to fight Israel in three wars, has more than tripled the size of its armed forces. Indeed, since the beginning of this decade, Iraq has become the world's leading arms importer, taking delivery of weapons worth an average of more than \$3 billion every year. Regardless of the outcome of the Gulf war, the enormous Iraqi arsenal will be available at least in part for use against Israel, as it has been in the past.

The United States should refrain from providing the Saudis and Jordanians with weapons until tangible action advancing, not obstructing, the peace process is demonstrated and until these countries renounce the state of war with Israel.

We encourage the Administration to work together with Congress on its overall Middle East strategy, including arms transfers. Arms should not be used as a substitute for policy. Arms sales have failed to be an incentive for drawing Arab states into the peace process with Israel and it is time to change that picture.

We support changing the Arms Export Control Act to restore the principle of majority rule, as the original legislation intended. Congress should play a more equal role in controversial weapons sales.

Strategic Cooperation

Israel has the strength, stability and strategic position to promote Western interests in the Middle East and eastern Mediterranean.

The establishment of an American-Israel Joint Political Military Group in 1983 has resulted in mutually beneficial steps toward enhanced strategic cooperation. This year, the President signed into law legislation that led to the naming of Israel as a major non-NATO ally of the United States, a logical extension of the alliance which has blossomed. Israel has demonstrated on numerous occasions its strategic value to the United States through:

- * working on military planning with the United States;
- * engaging in joint naval exercises with the Sixth Fleet to strengthen U.S. military capabilities;
- * providing access to its ports for regular U.S. fleet visits, including the recent visit of the U.S.S. Kennedy to the port of Haifa;
- * making available facilities for the storage and maintenance of U.S. materiel for American use in a conflict;
- * arranging for access to sophisticated hospital facilities in Israel for U.S. military casualties;
- * sharing valuable intelligence gained from combat experience and cooperation in the gathering of critical information to combat terrorism;
- * accepting the U.S. invitation to participate in the Strategic Defense Initiative. Israel will be a key contributor to the successful development of an Anti-Tactical Ballistic Missile (ATBM) system;
- * providing Kfir aircraft to the U.S. Navy's Aggressor Squadron and to the U.S. Marine Corps to help train American fighter pilots;
- * staging joint military exercises with American special anti-terrorist forces.
- * agreeing to install a Voice of America transmitter on its territory to enhance American broadcasts to Soviet Central Asia, Africa and Afghanistan;

AIPAC commends the U.S. government's recognition of Israel's strategic value and urges long-term agreements that enhance the security interests of both countries in tangible and enduring forms.

AIPAC encourages U.S. government agencies to maximize the potential value of Israel's status as a Major non-NATO ally by inviting Israel to participate in defense and technology related projects of strategic interest to both nations.

Free Trade Area

The agreement to establish a Free Trade Area (FTA) between Israel and the United States launched a new era of close economic cooperation between the two countries.

The FTA has considerable potential to strengthen the Israeli economy through the

expansion of bilateral trade and investment. Because Israel uniquely has free trade agreements with both the United States and the European community, Israel could emerge as an economic bridge providing for the duty-free exchange of goods between the largest free world markets. Israel's willingness to abolish virtually all trade barriers contrasts markedly with America's other allies.

AIPAC urges U.S. government agencies with authority over trade to apply U.S. laws and regulations in a manner consistent with the objectives of the FTA - including trade expansion as a means to enhance the economic security of Israel. We oppose legislative or administrative efforts that run contrary to provisions of the agreement. We urge the promotion of the FTA by educating and providing incentives to the business community that encourage investment and trade with Israel.

AIPAC urges the Congress and appropriate government agencies to put pressure on Japan and other countries to lift their economic boycott against Israel.

Jerusalem

Jerusalem was, is and always will be Israel's capital, the heart and soul of the Jewish people. For almost forty years it has been the seat of government. Since 1967, the once divided city has been united under Israeli control with freedom of access guaranteed to all religious groups.

The U.S. government has refused to recognize this reality and has maintained the American Embassy outside the administrative capital. Only in Israel does a consular office (located in Jerusalem) report directly to the State Department in Washington, bypassing the embassy. This is an inconsistent policy.

AIPAC continues to support all efforts to move the U.S. Embassy to Israel's capital, Jerusalem.

Defensible Borders

Israel must have secure and defensible borders. International practice accepts geographic and strategic factors as legitimate criteria for demarcation of borders where no agreed political boundaries exist. This is an important consideration for determining the final status of the territories now under Israeli control.

For 13 years, the PLO used southern Lebanon as a base for terrorist infiltration into Israel and the shelling of Israel's northern villages. Israel has withdrawn nearly all its troops from Lebanon. With the Lebanese government's abrogation of the May 17, 1983 agreement, the burden is again placed on Israel to take the necessary measures for the security of its population.

The Camp David Accords between Israel and Egypt brought peace to Israel's southern flank. We encourage the United States to urge Egypt to maintain that peaceful border. Future peace agreements must be based on the principle of secure and defensible borders for Israel.

The PLO and the Peace Process

The PLO is a terrorist organization committed, in both word and deed, to Israel's destruction. It is allied to the Soviet Union and other regimes inimical to U.S. interests.

At the April 1987 Palestinian National Council (PNC) meeting Arafat's Fatah wing joined with Marxist and other "rejectionist" groups to reaffirm the extremism of the PLO and its adherence to terrorism. The PLO has not abandoned the strategy for the phased destruction of Israel, or accepted U.N. Resolution 242. Mohammad Abu Abbas, convicted mastermind of the Achille Lauro hijacking, attended the PNC and was reelected to the Executive Committee of the PLO, belying Arafat's earlier pledge to punish those responsible for the Achille Lauro.

The United States agreed not to recognize or negotiate with the PLO until it recognizes Israel's right to exist, accepts U.N. Resolutions 242 and 338 and renounces terrorism. This policy, codified by Congress and signed by the President, strengthens U.S. interests.

Strict adherence to this commitment advances the peace process by making it clear that the PLO or its representatives have no place at the negotiating table. AIPAC opposes "pre-negotiations" between the United States and Arab parties, which are, by the PLO's own admission, designed to achieve recognition of the PLO by the United States. U.S. diplomacy should focus on how to circumvent the PLO, not seek ways to bring the terrorist PLO into negotiations through a "back door."

AIPAC believes that the following principles must be upheld by the United States in its pursuit of peace:

- 1. there must be direct negotiations between Israel and its Arab neighbors leading to peace treaties;
- 2. the U.S. role should be that of facilitator of direct negotiations rather than participant in the negotiations;
- 3. the PLO should not be involved in negotiations. Instead, the United States should encourage the promotion of alternative and constructive Palestinian representatives;
- 4. an independent Palestinian state in Judea, Samaria and Gaza is unacceptable;
- 5. any international accompaniment to negotiations should have as its purpose direct talks between the parties. It should not replace direct negotiations, or have veto power over the initiatives presented or the power to impose terms on the parties.

International Terrorism

Acts or threats of international terrorism must not be permitted to dictate U.S. policy. The murders and attacks against American and Israeli citizens and facilities around the globe, along with abductions of many Westerners, are the latest evidence of the international terrorist campaign sponsored by the governments of Syria, Libya Iraq and Iran.

Syria and Libya fund, arm and train the Abu Nidal group. Abu Nidal is responsible for several of the bloodiest attacks against Americans, Israelis and others, including the Istanbul massacre of September 1986, the hijacking-murder in Karachi aboard the Pan Am jetliner, and the plot to blow up the El Al airliner leaving London airport. The plot, which resulted in the arrest of Nizar Hindawi and in London severing ties with Damascus, was supervised by the Syrian coordinator of Abu Nidal, Hattem Sayeed. Sayeed was also implicated in the bombing of the German-Arab Friendship Society in West Berlin. This is the Syria of Defense Minister Tlas, who in his book "The Matzoh of Zion," perpetuates the age-old myth of the blood libels.

In addition, Syria and its surrogates have been responsible for numerous suicide bombings in Lebanon. They have not used their influence to secure the release of Western hostages, although much of Lebanon is under their control.

Iraq continues to sponsor international terrorist organizations such as the May 15th organization. In defiance of American and Italian efforts to bring him to trial, Baghdad provided safe haven for PLO terrorist Abu Abbas. Yasir Arafat has now established his military command in Baghdad. Nevertheless, the Administration removed Iraq from the list of countries supporting international terrorism. This unwarranted action eases U.S. restrictions on the sale of equipment with potential military use.

President Reagan has called for action against terrorists "with the full weight of the law" and increasing attention has been paid to the legal options available in combatting international terrorism. The United States has exercised some of these options during the last year in response to terrorist activities. Other means are being reviewed. Terrorists must know that the United States will act to protect its citizens everywhere and that no crime against its people will go unanswered.

Options for legal action against PLO terrorism include closing the PLO offices in Washington and New York, denying Arafat and other terrorist and PLO leaders access to the United Nations in New York, and cutting funding for PLO activities at the United Nations.

The Omnibus Diplomatic Security and Terrorism Act of 1986 is a prime example of Congressional resolve to combat terrorism. The law seeks to improve the security of American diplomats abroad and to prosecute and punish terrorists worldwide. AIPAC supports this and other legislation whose goal is to impede the expansion of terrorism.

AIPAC supports Congressional efforts to put Iraq back on the U.S. list of countries supporting international terrorism.

AIPAC applauds the President's call for and the exercising of legal action and, where appropriate, direct military action against terrorism. We call for strong action against PLO criminal activities in this country and around the globe, including closing the PLO offices located in the United States and urging our allies to do the same.

AIPAC supports the President's adoption of measures including terminating all trade with Syria and reducing the embassy staffs in both the U.S. embassy in Damascus and the Syrian embassy in Washington. AIPAC encourages our government to continue to work with Israel and other allies to thwart the spread of international terrorism.

The United Nations

Israel is the staunchest U.S. ally within the 158-member United Nations, voting with the United States 91.5% of the time in 1986, according to the State Department. By contrast, Egypt voted with us only 15.3% of the time, Jordan 14.2%, and Saudi Arabia 13.6%. U.S. law mandates that the degree to which a country does or does not vote with the United States at the United Nations shall influence its level of United States foreign assistance.

We encourage our U.N. representatives to oppose rhetorical resolutions seeking to malign Israel and to expel it from the United Nations. Instead, we urge them to encourage countries to use the forum for constructive dialogue. We also encourage our representative to seek the repudiation of the infamous U.N. Resolution 3379 which equates Zionism with racism.

AIPAC supports the Administration's stand against international organizations which promote hatred, discrimination against Israel and anti-Semitism and hopes that this stand against the politicization of U.N. bodies and conferences will continue. We urge the Administration to re-examine continued extensive U.S. support for UNRWA and its stated goal of perpetuating the status of Palestinians as refugees. Commendably, Congress has codified, and President Reagan has affirmed, that the United States will walk out should Israel be forced out of the United Nations or any of its subsidiary organizations.

Energy Independence

Greater energy independence is in the best interest of the United States. A new reliance on foreign energy sources of oil, largely because of the decline in oil prices, continues to threaten our nation's security and self-reliance. AIPAC advocates a foreign policy unfettered by the influence of unstable foreign producers. The oil producing countries of the Middle East, particularly Saudi Arabia, have used the leverage of oil production and pricing as political tools, not as responses to free market conditions. There is no certainty that these supplies will not be disrupted again. Only an effective national commitment to energy independence will free the United States from the threat of another Arab oil embargo.

We urge the U.S. government to take advantage of the opportunities that present themselves during the current oil glut to formulate a cohesive national energy policy. Such a policy must be instituted rapidly in order to halt the alarming increase in the levels of imported oil to the United States. That policy should include:

the accelerated filling of our Strategic Petroleum Reserve (SPR), particularly now that oil prices are low, and verification that oil in the SPR is readily available according to plan during an emergency;

- necessary action, including an energy fee, that would encourage conservation measures, maintain U.S. production, develop alternate sources of energy, and reduce foreign oil imports;
- development of other incentives for conservation and continued research and development of existing natural energy resources.

Freedom to Emigrate

Freedom of emigration is a fundamental human right. We deplore all restrictions against free emigration of Jews from any country -- the Soviet Union, Syria, Ethiopia and other lands of oppression. In 1986, the Soviet Union permitted 914 Jews to leave. Hundreds and thousands more yearn for freedom to be united with their families but are being kept hostage in the Soviet Union, despite "glasnost" and Soviet rhetoric.

AIPAC commends the unceasing efforts of the Reagan Administration and Congress on behalf of Soviet Jews, a commitment symbolized by Secretary of State Shultz's participation at the American embassy's Passover Seder this year. We urge our government to continue giving high priority to the plight of Soviet "refuseniks" and others who wish to emigrate and be repatriated and to act strenuously on their behalf.

AIPAC urges the United States to continue its assistance to Israel to help with absorption of these new immigrants.

Several thousand Jews live in Syria, approximately 30,000 in Iran, 10,000 in Ethiopia and thousands more in lands of oppression.

AIPAC praises the United States and Israel for having joined hands in the past to bring these Jews from behind the wall of tyranny and persecution, and we urge our government to continue this work.