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DEVELOPMENTS IN THE MIDDLE EAST

HEARING

BEFORE THE

COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

Tuesday, June 8, 1999

Serial No. 106–85

Printed for the use of the Committee on International Relations

U.S. GOVERNMENT PRINTING OFFICE
63–467 CC WASHINGTON : 2000

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DEVELOPMENTS IN THE MIDDLE EAST

Tuesday, June 8, 1999

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
WASHINGTON, D.C.

The Committee met, pursuant to notice, at 10:10 a.m. In Room 2172, Rayburn House Office Building, Hon. Benjamin A. Gilman (chairman of the Committee) Presiding.

Chairman GILMAN. The Committee will come to order. This morning the Committee on International Relations is conducting a hearing on developments in the Middle East. As usual, we are pleased to have Assistant Secretary for Near Eastern Affairs Martin Indyk join us on this very important topic.

In the past few months, there have been a number of changes in the region which affect U.S. policy in a variety of regional matters. The Committee is, therefore, interested in the Administration's views regarding these changes, particularly as they affect U.S. policy regarding the Middle East peace process, Iran and Iraq.

Back in October, Martin Indyk was sworn in as Assistant Secretary for Near Eastern Affairs by the Department of State. In that capacity, Ambassador Indyk assists the Secretary of State in providing overall direction and coordination of our policy in the Middle East and in north Africa, and from April 1995 to October 1997, Dr. Indyk served as U.S. Ambassador to Israel, and during that period he helped to strengthen U.S.-Israeli relations, reinforcing the U.S. commitment to advance the peace process and substantially increase the level of mutually beneficial trade and involvement.

Prior to his assignment to Israel, Dr. Indyk served as special assistant to the President and senior director for Near East and south Asian affairs at the National Security Council. While at the NSC he served as principal adviser to the President and National Security Adviser on Arab-Israeli issues, Iraq, Iran, and South Asia, was a senior member of Secretary Christopher's Middle East peace team, and served as a White House representative in the U.S.-Israel Science and Technology Commission. We welcome Dr. Indyk this morning.

With the election of Ehud Barak as Israel's Prime Minister-elect, many expect Israeli-Palestinian negotiations to resume fairly quickly. Barak still has to put together a coalition government, but he has given indication that he will come to the United States at an early date. We therefore hope that Secretary Indyk will apprise us of the latest developments in that area.

Iran's actions on a variety of issues continue to be of grave concern to many of us. Also alarming was the recent disclosure that

Iranian authorities arrested 13 Jews on charges of spying for Israel and the United States. The suspects were accused of spying for the "Zionist regime" and "world arrogance", references to Israel and the United States, respectively. We are very disturbed about that development and want to know what steps our Nation is taking in this matter and how it may affect our policy considerations regarding Iran. Clearly, the regime is not rehabilitating its image, if that has been its intent.

Iran's neighbor, Iraq, wants to raise its oil input. As such, it recently ordered government engineers to start developing a giant oil field in the south to add 80,000 barrels to daily production. We would welcome the Department's comments about this new circumstance and how that impacts sanctions against Iraq in the oil-for-food program.

We also want to discuss in greater detail the Administration's plan to assist the Iraqi opposition, since we met just a few days ago with leaders of the executive presidency of the Iraqi National Congress.

Elsewhere in the region Egypt's Parliament overwhelmingly nominated President Hosni Mubarak for a fourth 6-year term, and President Mubarak signed into law new restrictions on Egyptian human rights groups. Regrettably, the law allows the government to disband the boards of directors of private groups, nullify their decisions and object to funding resources. It will also set prison terms at 1 or 2 years for violations.

While the State Department has said this new law takes Egypt in the wrong direction, we are anxious to learn about efforts to moderate this restrictive law as well as the Department's assessment regarding the progress of democratic governance and the human rights of the Coptic Christian minority.

Assistant Secretary Indyk, we have a lot to cover this morning. You may read your statement or summarize it as you please. It will be made a part of the record of the hearing. We would welcome in the future if you could make your statement available to us at an earlier date. The Committee plans to send you additional questions to be answered for the record in the event that we don't cover everything today.

Chairman GILMAN. Assistant Secretary Indyk, please proceed.

Mr. INDYK. Thank you very much, Mr. Chairman.

Chairman GILMAN. Bear with me. I now recognize the Ranking Minority Member Mr. Gejdenson.

Mr. GEJDENSON. I am also here to hear Mr. Indyk, I will be very brief. It must be frustrating for him to be in the backwater area of the State Department. It seems to me not much is happening in your region lately.

I would be curious, as you go through this, to receive an assessment of what the situation is in a couple of places. One in Jezzin, if I am pronouncing that correctly. Who is now in control there? Is it the Lebanese Government, or is it the Hezbollah? Have you met with Bashar, the son of President Asad, and what is your sense of his gaining the ability to take over for his father?

Obviously, as Chairman Gilman pointed out, the situation of the 13 Jewish people who have been arrested for spying, is something that is very troubling. Whether it is playing to internal domestic

politics between the so-called moderates and hard-liners in Iran. In Iraq, I guess the question is the role of Ahmed Chelabi and whether or not his organization can actually coalesce the various factions, and is this more than a debating society? Are these people really pulling together, trying to come up with an organization that is capable of replacing Saddam Hussein?

I expect that you will give us plenty of information on the new Israeli Government and how you see the peace process moving forward once the new governments is in place.

It is a pleasure to have you here and have you in your post, giving us great confidence that the Administration has picked an excellent individual for one of the real hot spots.

Chairman GILMAN. Mr. Lantos.

Mr. LANTOS. Thank you, Mr. Chairman. I found your opening remarks exceptionally positive and accurate, and I want to identify myself with your comments.

I merely want to add, if I may, Mr. Chairman, that several of us in recent times have made overtures to the Government of Iran. In my own case, Secretary-General Kofi Annan of the United Nations conveyed my desire to visit Iran. I think it is important to keep on the record our interest in opening a dialogue with the Government of Iran, but this arrest of a number of members of the Jewish community in Iran is certainly not conducive to Iran changing its image in the West. Phony charges against innocent civilians is not a good way for the Iranian Government to attempt to reintegrate itself into the civilized world community, and I am very anxious to hear Secretary Indyk's comments on your observations.

Chairman GILMAN. Thank you, Mr. Lantos.

Chairman GILMAN. MR. INDYK.

STATEMENT OF MARTIN S. INDYK, ASSISTANT SECRETARY FOR NEAR EASTERN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. INDYK. Thank you very much, Mr. Chairman and Congressmen Gejdenson and Lantos. I am grateful for the opportunity to appear before you again to talk about U.S. policy toward the Middle East. It has been a long time, Mr. Chairman, and therefore, I have prepared a long statement, which is the reason why you didn't get it earlier. I would like to submit it for the record and just provide a few highlights.

Chairman GILMAN. Without objection.

Mr. INDYK. I invite you to interrupt me if I'm going on too long as I just try to summarize this long policy statement.

Mr. Chairman, in the Middle East, as in the rest of the world, we stand on the threshold of a new millennium, but this region finds itself caught between its turbulent and conflict-ridden past and a future of greater peace, stability, prosperity and popular participation. It is not yet clear which direction the Middle East will take because the indicators are mixed.

On the one hand, we have seen difficulties in the Arab-Israeli peace process over the past 2½ years which have dramatically slowed the momentum toward positive change in the region. Last month, however, the Israeli people, as you have noted, voted for change, and Prime Minister-elect Ehud Barak now has a strong mandate to continue the search for a comprehensive Arab-Israeli

peace. If Israel's negotiating partners are ready to respond, we believe it will be possible to resume negotiations on all tracks and move toward the comprehensive peace that would usher in a new era of coexistence and regional cooperation.

Saddam Hussein's defiance of the U.N. Security Council threatens to destabilize the Gulf while exacting a heavy price from the Iraqi people, but Saddam has emerged from the Desert Fox campaign weakened and isolated and much less capable of creating trouble for his neighbors for the time being.

President Khatami's election in Iran in the recent local elections there has made it clear that a significant majority of the Iranian people support political liberalization, respect for the rule of law and a constructive role for Iran in regional and international affairs. This evolution still faces a strong, sometimes violent, opposition from some quarters inside Iran, and Iran's determined development of ballistic missiles to enable delivery of its weapons of mass destruction over long distances has the potential to trigger a new and dangerous arms race across the region.

Extremism is now on the defensive in Algeria and Egypt after years of bloody confrontation, and across the Arab world the gradual struggle for political liberalization and economic reform is taking place. Finally, King Hussein's untimely death has underscored the fact that a process of succession is under way across the region after decades of unchanging rule in most Arab countries.

Because the Middle East is a region of vital interest to the United States, we are committed to helping it achieve a better future in the 21st century than that which it has experienced in the last half of the 20th century, when the Middle East was often regarded as a synonym for trouble and hopelessness. Above all, we have an intense interest in preventing it from backsliding into another era of extremism and conflict marked by a new arms race in ballistic missiles and weapons of mass destruction.

How can we widen the circle of peace while countering those who would oppose the promotion of a more normal existence for all the people of this region? The answer in our minds is clear. We must broaden the scope and depth of our relationship with those states that share our commitment to a more peaceful and prosperous region, work with them to achieve our common vision, and at the same time we must enforce our ability to contain and overcome those states or forces that threaten our interests.

On the Middle East peace process, Mr. Chairman, it is difficult for me to say much at this juncture because, of course, we are waiting for Prime Minister-elect Barak to form his government. The President and Secretary of State are committed to advancing the peace process on all tracks. We would like to see both Israel and the Palestinian Authority fulfill their obligations under the Oslo accords by implementing the Wye Agreement. We would like to see the resumption of final status negotiations on the Palestinian track with the objective of bringing them to a conclusion within a year, and we would also like to see a resumption of the long-stalled Syrian and Lebanese tracks of the peace process negotiations, as well as the multilaterals and a reinvigoration of the normalization process.

I would like to stress two points because I know that they have become of some concern to many Members of this Committee. First of all, throughout the peace process, we have been guided by the belief that agreements can only be reached through direct negotiations. The only bases for negotiating a peace agreement between Israelis and Palestinians are the terms of reference defined in Madrid and the principles agreed to in the Oslo accords. These include U.N. Security Council Resolutions 242 and 338. They do not and never have included U.N. General Assembly Resolution 181.

Second, our experience has taught us the importance of the parties creating the proper environment for progress in the negotiations and for dealing with differences through those negotiations. That is one major reason why the Administration is working hard to see that the proposed July 15th meeting of the High Contracting Parties to the Fourth Geneva Convention does not take place. We have voiced our opposition to such a meeting in the strongest terms and continue to do so. We have made clear that we would not attend a meeting if it takes place, and we have encouraged all others to do likewise. This meeting, Mr. Chairman, will not contribute to the peace process.

Let me just focus the rest of my remarks on Iraq and Iran issues which you have all raised. Eight years after the Gulf War and Saddam's persistent defiance of the international community, we are under no illusions that Iraq, under Saddam Hussein, will comply with UNSC resolutions on disarmament, human rights, accounting for the Kuwaiti POW's and the return of stolen property.

In view of this reality, our policy now rests on three pillars. First, as long as he is around, we will contain Saddam Hussein in order to reduce the threat he poses both to Iraq's neighbors and to the Iraqi people. Second, we will seek to alleviate the humanitarian cost to the Iraqi people of Saddam's refusal to comply with the UNSC resolutions; and finally, we will work with forces inside and outside Iraq, as well as Iraq's neighbors, to change the regime in Iraq and help a new government, representative of the needs and aspirations of the Iraqi people, rejoin the community of nations.

Our containment with regime-change policy is designed to protect the citizens of Iraq and its neighbors from an aggressive and hostile regime. We maintain a robust force in the region, which we have made clear we are prepared to use should Saddam cross our well-established red lines. Those red lines include: Should Saddam try to rebuild his weapons of mass destruction should he threaten his neighbors should he challenge—continue to challenge allied aircraft within the no-fly zones or should he move against the people living in the Kurdish-controlled areas of northern Iraq.

Let me be particularly clear on this point. The United States is concerned for the protection of all Iraqis against the repression of the Baghdad regime. Hence, we believe that the world community should tolerate no backsliding from Baghdad's obligations under all of the U.N. Security Council resolutions intended to protect the people of Iraq and its neighbors from the depredations of Saddam Hussein. In particular, Mr. Chairman, the U.N. Security Council Resolution 688 twice cited the consequences of Baghdad's repression of the Iraqi civilian population as a threat to international peace and security. It, therefore, demanded that Baghdad imme-

diately end this repression. Baghdad is in flagrant violation of this U.N. Security Council resolution, as it is of so many others.

Although our containment policy has been effective in preventing Saddam from threatening the region, it, of course, has its costs. As we have seen repeatedly since 1991, even a contained Iraq under its current leadership retains an ability to threaten both the stability of the region and the welfare of the Iraqi people. Both are paying too high a price for Saddam's continued rule. In our judgment, both the region and the people of Iraq deserve better. It is past time for Saddam to go.

For these reasons, President Clinton announced in November of last year that the United States would work with the Iraqi people toward a government in Iraq which is prepared to live in peace with its neighbors and respect the rights of its people. We are fully committed to supporting the Iraqi people in bringing this about. In pursuit of this objective, the United States will adhere to two important principles. First, we will uphold the territorial integrity of Iraq; and second, we will not seek to impose from the outside a particular government or leaders on the people of Iraq. That is up to the Iraqi people themselves, but we do support a change of government that will be responsive to the aspirations of the Iraqi people, one that takes meaningful steps toward a democratic future for the country and can represent fairly the concerns of all of Iraq's communities.

If it is to be successful, change must come from within, from the Iraqis themselves. In particular, the security forces and the people must stand on the same side against Saddam. The support of Iraqi exiles, including the politically active opposition, along with neighboring states, however, is indispensable. The captive Iraqis need a voice.

Free Iraqis—those in exile and those who live in relative freedom in northern Iraq—bear a special responsibility to develop a coherent vision for a brighter future for this country. They must take the lead in developing and promoting an alternative vision based on the restoration of civil society, the rebuilding of Iraq's economy and the promotion of a new role for Iraq as a force for peace and reconciliation in the region. They can also play an effective role in delegitimizing Saddam, in helping to build the case for his prosecution as a war criminal and in getting the truth into and out of Iraq.

Congress has provided the Administration with a number of important tools to support Iraqis who are working toward a better future for Iraq. These include earmarks of $8 million in existing economic support funds. We are using these funds to strengthen opposition political unity, to support Iraqi war crimes initiatives, to support humanitarian programs and the development of civil society and for activities inside Iraq. We also have established and recently stepped up broadcasting hours for Radio Free Iraq, which operates independently and broadcasts daily in Arabic uncensored news and information to the people of Iraq.

We have named a Special Coordinator for Transition in Iraq, Frank Ricciardone, who is managing our overall effort. He has already had considerable success in helping disparate opposition groups work together and elect a new interim leadership that right

now is preparing the way for an Iraqi opposition conference that will have as broad participation as possible.

Finally, there is the Iraq Liberation Act, which provides discretionary authority to the President to direct up to $97 million in Defense Department draw down and training for designated Iraqi opposition groups. We have now begun the process of drawing down this account for the provision of nonlethal supplies to the Iraqi opposition. Many have called upon the President to use this authority to arm the Iraqi opposition and support military action against Saddam Hussein.

We believe such action is premature. There are a host of issues that must be resolved before such equipment and training could be provided with confidence that it would advance our objectives of promoting a change of regime and not just lead to more Iraqis being killed unnecessarily. One requirement is a credible, broad-based Iraqi political umbrella movement based on consensus that can authoritatively articulate a future vision for those Iraqis who now lack a voice in their own fate. Hence, the first kind of support which we will provide to the Iraqi opposition under the draw down will be to meet their most urgent requirements, equipment for the infrastructure vital to the effectiveness of an international political advocacy movement, broadcasting equipment and training in civil affairs. Further kinds of material assistance to the Iraqi opposition can be provided when the conditions are created to enable them to be best absorbed and exploited.

We will need the cooperation of Iraq's neighbors if we are to provide effective support to the internal Iraqi opposition. Although these neighbors all share Iraqi people's longing for a change of regime in Baghdad, views about how we can help Iraqi people reach this goal differ. We must take those views into account and gain their cooperation in promoting the recovery of Iraq as a good neighbor and contributor to regional stability.

As for Iran, Secretary Albright a year ago laid out our approach to Iran in her Asia Society speech. The main point she made was that we are prepared to develop with the Islamic Republic, when it is ready, a road map in which both sides would take parallel, reciprocal steps leading to a more normal relationship. Unfortunately, the Iranian Government has made clear that at this stage it is not ready to engage, insisting instead that the U.S. first take a number of unilateral steps.

Given Iran's reluctance to begin a bilateral dialogue, we have pursued other avenues that can serve to broaden our engagement with Iran. We have worked constructively with Iran in multilateral settings on issues of common concern, such as countering the spread of narcotics and the situation in Afghanistan. We have also noted with interest Iran's improving relations with the Arab world, particularly on the other side of the Persian Gulf. We welcome such a relaxation of tensions, but at the same time we remain in close consultation with our Arab friends in the region who share our cautious approach based on testing Iran's willingness to abandon destabilizing policies, and in this regard we remain concerned at Iran's threatening approach to the islands dispute with the United Arab Emirates.

We have also supported greater contact between our two peoples. We believe that such exchanges can increase mutual understanding and respect and help overcome decades of mistrust.

Within the context of a broad review of general U.S. sanctions policy, President Clinton recently announced his decision to exempt commercial sales of food, medicines and medical equipment from future and current sanctions regimes where we have the authority to do so. This decision will enable the sale of certain items to Iran. It does not, however, conflict with our policy of applying economic pressure to the Iranian Government. Any benefit derived will accrue to the Iranian people and, of course, to American farmers and manufacturers. It is important to remember that U.S. sanctions policy seeks to influence the behavior of regimes, not to deny their people basic humanitarian necessities.

Apart from that recent adjustment, our sanctions policy will remain in force vis-a-vis Iran. The reasons behind this policy of applying economic pressure remain the same today as they did when that policy was first invoked. U.S. sanctions are a response to Iranian Government practices that violate international norms and threaten our interests and those of our allies. In this regard we will continue to oppose bilateral debt rescheduling, Paris Club debt treatment for Iran and the extension of favorable credit terms by Iran's principal foreign creditors. We will also continue to oppose loans to Iran by international financial institutions.

Unfortunately, some Iranian government practices that we seek to have changed have continued, although not to the same degree in all areas under the present government of President Khatami. Iran, as you are aware, remains on the State Department's list of state supporters of terrorism, and despite Iranian public statements condemning certain terrorist acts or expressing sympathy for Kenyan and Tanzanian victims of the August, 1998 bombings of the U.S. Embassies in Nairobi and Dar es Salaam, Iranian support for terrorism remains in place.

President Khatami himself has publicly denounced terrorism and condemned the killing of innocents, including Israelis. The Iranian Government has also stated that Iran would accept a peace acceptable to the Palestinians. We assume that these statements are sincerely made, and it is therefore also reasonable for us to expect that the actions and policies of the Islamic Republic should reflect that. Unfortunately, so far this is not been the case. Iran was harshly critical of the Wye Agreement and its Hezbollah proxy in Lebanon threatened Arafat's life, and President Khatami himself met with leaders of the Palestinian rejectionist groups when he visited Syria last month and apparently promised them more support.

We remain concerned at Iran's continued drive to develop weapons of mass destruction and the ballistic missiles necessary to deliver them. In this regard, we are particularly concerned about Iran's nuclear drive. Last summer Iran also tested a ballistic missile, the Shehab III, capable of delivering warheads 800 miles, and is reported to be close to producing a missile with an even greater range. These developments pose significant potential threats to U.S. forces, as well as to our friends in the region.

We have to act quickly, Mr. Chairman, to forestall what is shaping up to be an imminent arms race in ballistic missiles and weap-

ons of mass destruction, and we need to do this by working with Israel, with our Arab allies and with Turkey to help boost their abilities to deal with these emerging threats. These responses include strengthening active and passive defenses, enhancing deterrents, slowing down proliferation through relevant multilateral arms control regimes and other means, and encouraging moderation in the policies pursued by those regimes that are trying to acquire these systems.

Iran's efforts to develop weapons of mass destruction and ballistic missiles together with its other ongoing policies of concern are the reason that we oppose investment in Iran's petroleum sector. We oppose Iran's participation in the development and transport of Caspian resources, and we oppose multilateral lending to——

Chairman GILMAN. Secretary, if I might interrupt, we will continue with the hearing right through the roll call for those of you who may want to go over and vote and come right back. Please continue.

Mr. INDYK. Thank you. I will be wrapping up right now, Mr. Chairman.

We oppose Iran's full integration in international economic fora.

We look forward to a time when greater economic interaction with Iran will be possible, but this depends on the Iranian Government's willingness to address practices that, in our view, continue to disqualify Iran from enjoying the full economic and commercial advantages that come with responsible membership in the international community.

Finally, we continue to observe with great interest internal developments in Iran. As we have often said, we fully respect Iran's sovereignty and the right of the Iranian people to choose their system of government. That said, we will not shy away from expressing our support for values that we believe to be universal. In this regard, both the Presidential election in 1997 and the recent municipal elections were remarkable for their openness and the level of participation of the Iranian people. Statements by President Khatami in support of human rights and the rule of law deserve acknowledgment and support.

At the same time we are concerned at the gap that often remains between words and deeds. For example, we find it hard to reconcile President Khatami's words with the announcement yesterday that 13 members of the Jewish communities of Shiraz and Isfahan, including rabbis, would be charged with espionage. These arrests, Mr. Chairman, send a very disturbing signal. We call on the Government of Iran to ensure that no harm comes to these individuals and to release them immediately.

Mr. Chairman, in the Middle East our vital interests remain engaged. We face both long-standing challenges and new opportunities to promote peace, prosperity and stability in this troubled region. We look forward to continuing our work with you and the Members of this Committee as we seek to advance our interests in this troubling region, as we seek to bring it a future of greater peace, prosperity and stability.

Thank you very much, Mr. Chairman.

Chairman GILMAN. Thank you, Secretary Indyk, for your concise and overall review.

Chairman GILMAN. Secretary Indyk, Public Law 104–45 of 1995 mandated that our U.S. Embassy in Israel should be removed from Tel Aviv to Jerusalem. Can you tell us what is the status of that move as far as the State Department is concerned?

Mr. INDYK. Yes, Mr. Chairman. As you know, when that Act became law, President Clinton made it clear that, consistent with his long-standing policy, he would not do anything to undermine the peace process. That law provided that if the embassy was not moved by May 31st of this year, 50 percent of the funds in our security and maintenance account for foreign buildings would be deducted from that account. We are about to reach the point where we will be unable to use 50 percent of those funds; that is, we have already used up 50 percent of those funds. Therefore, while he has not made a final decision in this regard, the President will in all likelihood use his waiver of authority given to him under the Act so as to prevent those funds from being rendered unavailable.

We have over the last month or so engaged in consultations with interested Members of Congress on this subject. We have sought to be constructive, and still wish to be constructive, in trying to find a resolution of this issue, but we also have to fulfill—the President has to fulfill his responsibilities both to the peace process and to the protection of our embassies and personnel abroad, and it is for that reason that he is now considering using his waiver authority under the Act.

This is, as you are aware, Mr. Chairman, a very sensitive time in the peace process. We are waiting for the Government of Israel to be formed, a new government to be formed. That government, we expect, given the statements made by Prime Minister-elect Barak, will want to resume final status negotiations on the Palestinian track as well as negotiations on other tracks of the peace process, and in that context we feel very strongly that we should not take actions now that would preempt those negotiations or undermine them.

As you are aware, Jerusalem is an issue that will be discussed in these negotiations, and we think it is incumbent upon us, given our special role, that we promote this process, that we not take actions now that would disrupt those negotiations, both because of the concern that we have about the need to have funds to ensure that our embassies and people abroad are protected and because of our concern to not preempt or prejudge final status negotiations that are about to get underway. The President is now weighing the use of his waiver authority under the Act.

Chairman GILMAN. Mr. Secretary, the President from time-to-time keeps using the waiver authority with regard to this issue, and we think it is long overdue that we get under way with the plans. This is the only capital in the entire world where our embassy is not situated in that capital, and if you are talking about a limitation of funds, this Committee has already authorized additional funds for embassy security in the amount of hundreds of millions of dollars. I see the President has also just in the last day or two recommended additional funds. So, if it is a funding issue, there shouldn't be a problem. If it is a political issue, that political issue remains continually there, and I would think it is long overdue that we resolve this issue.

The Congress has indicated its desire, its intent to do this time and time again, and I think it is long overdue now that we resolve the Jerusalem embassy issue. I would urge you and the Department to take another hard look at all of this.

Mr. Secretary, Palestinian officials have made increasing reference to U.N. General Assembly Resolution 181 of 1947, which called for the creation of two small states for Jews and Palestinians out of the former Palestine Mandate. Under 181, Israel would have far less territory than before 1967. What is the relevance of 181, and why are the Palestinians now referring to it? How does the State Department view these statements?

The current Middle East peace process has been based on U.N. Security Resolutions 242 of 1967, which created a so-called land-for-peace formula, and I would welcome your comments.

Mr. INDYK. Thank you, Mr. Chairman. If I could just make a comment on your statement about Jerusalem. We have not used the waiver authority before this. If the President decides to do it, this would be the first time.

In terms of the issue of funding, we are grateful for your authorization of those funds. You are correct in saying the President has asked for additional funds. The problem is that the way the law is written in this regard, the account that holds those funds is affected by whether the embassy is moved or not; and 50 percent of the funds in that account, according to the law, will not be available if the embassy is not moved by May 31st.

May 31st has passed. Now we are at the point where 50 percent of the funds are being obligated, and we will need access to the other 50 percent. If we don't have access to that other 50 percent, contracts will have to be canceled, and work will have to be suspended. That is the problem we face at the moment, and that is one of the reasons why the President is considering using his waiver authority.

As far as Resolution 181 is concerned, let me repeat again in the clearest possible terms what I said in my opening statement, that we do not regard 181 as relevant at all to the negotiations, period. You also asked why are the Palestinians referring to Resolution 181. As I understand it, from statements that they have made, their reference to 181 appears to be their desire to invoke that General Assembly resolution as the basis for claiming an independent Palestinian state. You may recall that Resolution 181 back in, I think, 1947 provided for the creation of two states in Palestine, a Jewish state and an Arab state, and that is why they are invoking this decades-old resolution to claim legitimacy for their claim to an independent state. As far as we are concerned, only Security Council Resolution 242 and 338 are the resolutions relevant to the negotiations on the Palestinian track.

Chairman GILMAN. Mr. Secretary, we will briefly recess. Mr. Leach is on his way back to conduct the hearing, and we will continue as soon as he returns. It will take a few minutes. I am going to the floor to cast my vote.

Mr. INDYK. Thank you.

Chairman GILMAN. The Committee stands in recess.

[Recess.]

Mr. LEACH. [Presiding.]

Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman.

Mr. Secretary, we are delighted to see you and thank you for a very comprehensive statement. Let me begin with an issue that you haven't mentioned, although I take it is on the minds of most of us. With the apparent victory of NATO in Kosovo, I anticipate there will be major lessons learned by all of the players in the Middle East as to the willingness and the ability of the United States to use military power as necessary to achieve our objectives.

I vividly recall the lunch we had with the new King of Jordan a couple of weeks ago where, in response to several questions, he made the very obvious point that the outcome of the engagement in the former Yugoslavia will have an enormously significant bearing on the attitude of players in the Middle East. I certainly fully agree with that conclusion, as I suspect most of my colleagues do.

My first question is—and I have two or three others—my first question is, would you give us your reaction as to what conclusions the various players will draw from this truly major and, once the dust settles I think we can say, historic move by NATO, because clearly the lesson of Kosovo, or one of the many lessons of Kosovo, is that human rights trump national sovereignty. Some may not like it, some clearly do not like it, but those are the facts. Milosevic is not allowed to kill, rape, and plunder people who are technically his subjects, irrespective of their ethnic origin.

The second question I have relates to Japan, which is, in this context, within your purview. I have been very disturbed, as I think many of my colleagues have, that the Japanese Government displays an incredible degree of reluctance in debt forgiveness as it comes to the poorest nations on the face of this planet. Every indication is that all of these debt forgiveness conferences dealing with truly destitute societies are running into a very rigid and unbending Japanese attitude because they simply are unprepared to forgive debts that these totally money less, resource less societies have accumulated over the years.

During his visit here the King of Jordan raised the Japanese issue with several of us, and I certainly am extremely supportive of Jordan's request for debt relief as it comes to Japan. I am wondering if you would be prepared to comment on that issue.

The final question I have, if I still may abuse the time at my disposal which is no longer there, Mr. Chairman——

Mr. LEACH. You have some leniency.

Mr. LANTOS. What in your view is the rationale for the Government of Iran to make common cause with the rejectionists of the Palestinian groups at a time when hopefully we will be moving toward implementation of the peace process and the building of a stable and peaceful and prosperous Middle East? Why is this retrograde policy continuing?

Mr. INDYK. Thank you very much, Congressman Lantos. First of all, in terms of the Kosovo example, I think it is a very good question, and because there is no doubt——

Mr. LANTOS. Do I get an A?

Mr. INDYK. If I were grading, definitely.

There is no doubt that leaders around the world, but especially in the Middle East, were watching closely and continue to do so to

see how this would play itself out. I think in particular the fact that NATO, with the United States in the lead, intervened on behalf of the Albanian-Kosovars, who are Muslims, was something that resonated very clearly in the Muslim world, but particularly in the Arab world. I think it did a lot to put paid to the argument about double standards that somehow the West and the United States always practice against the Arabs or against the Muslims, and here was a very clear case in which that wrongful claim was put to rest.

Second, I think the fact that we were able to demonstrate united resolve amongst the NATO allies sent a very important signal about our commitment to stability in Europe and to our commitment to human rights, and those commitments will resonate in the Middle East, as well, where they are very important.

Third, the effectiveness of air power. At the beginning of the Kosovo conflict, you will recall that people drew the contrast between the terrain and difficulties of operating in Serbia with air power versus the open terrain of Iraq. I think that NATO has demonstrated very clearly the effectiveness of air power in Kosovo in terms of achieving our objectives. I think that this can be multiplied by a factor of at least three, if not more, in terms of the effectiveness of air power should we need to use it if Saddam Hussein crosses our red lines in Iraq. I think I made clear earlier what our red lines are in that regard. So I think it sends a very important signal as we continue to confront Saddam Hussein that we have the capability and the resolve to achieve our objectives in Iraq.

Finally, I think that it serves to reinforce a message that we have been projecting to the Middle East for some time, which is that leaders in the region have a choice. They can get on the side of positive, constructive change, sign on to the rules of the international community, give up sponsorship of terrorism, give up flaunting of Security Council resolutions, support peacemaking in the region and thereby secure the needs of their people and the interests of their country. I think it is no coincidence that you see Libya, after 10 long years, now giving up the terrorist suspects in the Pan Am 103 bombing for trial. Obviously we have to see them fulfill the rest of the Security Council resolutions requirements. They have made some commitments to do so. We need to test that.

We need Syria keen to reengage in the peace process with Israel, and we see the beginnings of change in Iran as represented by President Khatami, who, of course, himself is the product of a very real desire for change on the part of the Iranian people. It is no coincidence that he talks the talk of human rights and the rule of law and respect for the individual, but it is obviously a work in progress in terms of the fulfillment of those lofty ideals.

I think that overall the impact of the victory in Kosovo is a positive one in terms of the signal that it sends to the Middle East, and that brings me—I will jump to the third question, come back to Japan—to the question of why would Iran support Palestinian rejectionists, and it is for me an unfathomable issue. I don't understand why, when the President Khatami says that they will support what the Palestinians support, that Iran should have come out against the Wye Agreement and should be supporting the Palestinian rejectionists who represent nobody on the Palestinian side.

They are yesterday's men who speak only the language of violence and terrorism and rejection. Why President Khatami would want to associate himself with these people is, I have to say, beyond me, and therefore I am at a loss to explain why.

I think that the Iranians continue to view Israel in very negative terms. I think that that is very unfortunate, because as long as they continue to do so, it is a major obstacle to their playing a constructive role in the region and to their having a constructive relationship with the United States.

As far as Japanese debt forgiveness, we have urged the Japanese Government to forgive Jordan's debt. President Clinton raised this with Prime Minister Hashimoto when he was here. We have engaged with them repeatedly over a long period of time to try to get them to do this. They face some difficulties with the issue of debt forgiveness having to do with their internal arrangements and what they would have to do to forgive the debt; and they are also concerned that if they go ahead with debt forgiveness under their law, they would not be able to provide any more credit to Jordan. But the Jordanians are making clear that they would rather have the debt forgiveness than the future credit, and so we will continue to press this as we will press our other G–7 partners, particularly the French, Germans, and the British, who also hold Jordanian debt.

We would like to see them all support debt forgiveness. We, of course, forgave Jordan's debt some years ago, some $700 million worth of Jordanian debt, and we think they should follow suit. Why? Because with the untimely passing of King Hussein and the ascension to the throne of King Abdullah, Jordan, which is in a pivotal position in the region in geostrategic terms and in terms of the peace process and in terms of stability, faces a very real problem in terms of growing its economy. King Abdullah, as you heard, made a very strong commitment to doing his part in terms of economic reform, deregulation, privatization, all the things that Jordan needs to do to create the opportunity to grow the economy and to attract foreign investment. We have been supporting his efforts to open the markets in the region to Jordanian products, which is an essential element of this, but the third element is debt forgiveness and debt relief so that the government doesn't have this huge burden of debt repayments at a time when it is trying to grow the economy.

We think it is in our vital interest to see this occur, and we strongly support it.

Mr. LANTOS. Thank you very much, Mr. Chairman.

Chairman GILMAN. [Presiding.] Thank you.

Mr. Salmon.

Mr. SALMON. Thank you very much, Ambassador Indyk. It is good to see you again. As you know, 13 American citizens have been killed by Palestinian terrorists in Israel since the signing of the Oslo accords in September 1993. Over 20 suspects in the attacks currently reside in territory controlled by the Palestinian Authority, and several of these suspects are walking about freely. Some have reportedly been given positions in the Palestinian police forces. The United States has the right and the responsibility under U.S. law to prosecute the terrorist killers of Americans.

I do commend the Administration for sending investigative teams on numerous occasions to Israel to investigate these attacks, and I also want to acknowledge the Administration's efforts to verify the incarceration of terrorists who have murdered Americans in PA prisons. According to a June 3rd letter from the State Department, your agency says, in an effort to confirm that the suspects remain in custody, U.S. officials have conducted a series of visits to PA prisons, and I thank you for that. In the past several months our officials have made six visits to PA prisons to confirm the incarceration of Palestinians suspected of involvement in killing Americans. When I visited Israel last year and met with several Palestinian officials, including Chairman Yasser Arafat, to express the congressional commitment that the killers of Americans be brought to justice, there was a willingness on their side to have the U.S. officials monitor the incarceration status of the killers of Americans. I do appreciate the Administration for taking the Palestinian Authority up on their offer.

I still believe, however, that the effort to bring to justice the Palestinian terrorists who have murdered Americans has been incomplete, as I think you would agree. For example, no rewards have yet been offered by the U.S. Government for information leading to the capture of Palestinian killers of these 13 Americans, even though multimillion-dollar rewards have been offered in other cases of Americans killed by terrorists abroad; and despite reams of evidence implicating certain individuals in the murders of Americans, including in one case, an outright confession, no indictments have been secured by American authorities, and I have three questions based on this issue.

I am interested in why no reward has been offered leading to the capture of Palestinian fugitives implicated in the attacks of Americans; that is first.

Second, Israel recently requested the extradition of one of the alleged terrorist murderers of American citizens, Mohamed Deif. The PA basically acknowledged knowing Deif's whereabouts, but has indicated for political reasons that they will not arrest Deif. Has the Administration ever criticized the Palestinian Authority for harboring this alleged killer of Americans?

Finally, what penalty has the PA suffered due to their lack of complete cooperation in the investigation of the terrorists in their territory who have murdered American citizens? I have an additional two questions that I would like to submit for the record.

Thank you.

Mr. INDYK. Thank you, Mr. Salmon. First of all, on the issue of rewards, this is something that I have taken up personally to see whether we can post rewards for the Palestinian fugitives, those who are not in custody, who are charged with killing Americans. There is some sensitivity involved in this. We are trying to work this issue—I would prefer it if you would indulge me that I brief you privately on that matter, but it is an issue we are pursuing.

On the question of indictments, of course that is an issue for the Department of Justice, and they are continuing to pursue this issue, but they do not have the basis for indicting these people as yet, and I would urge you to get the answer from them. But we are working with them to pursue that issue, and Mr. Mark Richards

will be joining us on another trip to Israel and the Palestinian Authority in the near future as we pursue these issues.

As far as Mr. Deif is concerned, he is, as you are probably aware, one of the masterminds of the Hamas bombing campaigns. He has been a fugitive for some years now. We believe he is in Palestinian Authority-controlled territories. We have pressed at the highest levels, by which I mean President Clinton himself, the Palestinian Authority, to find Deif and to arrest him and prosecute him, and this has been a constant effort on our part.

We have seen a responsiveness on the part of the Palestinian Authority and a serious effort, particularly recently, to try to find him, without success. We have indeed criticized the Palestinian Authority in the past for its failure to apprehend Deif, and this will continue to be one of our highest priorities in our engagement with the Palestinian Authority on these kinds of security issues. I would say that we have seen a marked improvement in the performance of the Palestinian Security Authority when it comes to preventing terrorism, and they are working closely with Israeli security services to achieve that objective. This remains an outstanding issue, and we will not be satisfied until Deif is in custody. We will continue to pursue that.

Chairman GILMAN. The gentleman's time has expired.

I am going to ask that the Department of State letter of June 3rd, 1999, with regard to this issue be made part of the record.

Mr. Menendez.

Mr. MENENDEZ. Thank you, Mr. Chairman.

Mr. Secretary, let me direct my questions to Iran and its nuclear capabilities. In December of this last year, Jamie Rubin said the following about the U.S. position on Bushehr's Nuclear Power Plant. He said, "We are convinced that Iran is using the Bushehr reactor project as a cover for acquiring sensitive Russian technology". Then in your own statement on page 5 you talk about the Administration's policies as pursuing multilateral efforts to prevent Iran from acquiring and developing weapons of mass destruction; and on page 12 you specifically talk about, again, the concern of Iran's ability to develop weapons of mass destruction and its clandestine efforts to procure nuclear, chemical and biological weapons. You go on to say, in this regard, that we are particularly concerned about Iran's nuclear drive.

With all of those statements and many others that the Administration has made, can you tell me then how is it that the State Department has requested an increase for voluntary contributions above and beyond those which we use to participate in the international Atomic Energy Agency? Which voluntary contributions have fueled the development of the Bushehr nuclear power plant in Iran? I raised this question, I believe, with you the last time you were here. I have raised it at other times as well.

I have since learned that the IAEA has initiated a new program in Iran to help the Iranians in the area of uranium exploration. The IAEA in the past years has had a similar exploration program in North Korea, which we objected to, and following our objections, the program was ended.

So my question, Mr. Secretary, is do we continue to support the IAEA's voluntary contributions to building what, in fact, they

themselves describe—and I am going to read from their project description, which says, "the technical support of the national authorities," referring to Iran, "in the proper discharge of its function for the safe implementation of the Bushehr nuclear power plant will be critical, critical, for the design and construction of the plant".

We continue to have Administration witnesses who tell us we never want to see this plant built, and yet we continue to fuel it. Can you explain to me how that policy is consistent?

Mr. INDYK. Not easily. I think that the way to reconcile these, in terms of understanding what is going on here, is to understand that we do have an interest in seeing the IAEA extend its safeguards in Iran, and the IAEA is at the moment in the process of seeking Iran's acceptance of enhanced safeguards that would have—or would give—the international community and, therefore, the United States a better ability to get a handle on Iran's nuclear activities, and that is in our interests.

The IAEA is not an agency of the U.S. Government. We don't control it, and they are going about this process according to their own judgment about how to secure this, and their view is that under the nonproliferation treaty, signatory states are entitled to technical cooperation, and that is why they have engaged in these projects that you are talking about. It is under that rubric of technical cooperation.

We have made our views clear to the IAEA. We have objected to the project, and we have done so at senior levels of the IAEA. The agency has nonetheless decided to proceed with that project.

Mr. MENENDEZ. Mr. Secretary, my concern is very simply that while the IAEA is a great agency and we all support it, we all support, to the extent that any country is going to promote a nuclear program, for it to be under the safeguards established under the international norms of the IAEA. We in the past raised in North Korea questions very strenuously about uranium exploration. We already know that the Iranians have uranium conversion technology. Now we are going to help them seek uranium, we are going to help them with their technical cooperation, and we may not control the IAEA, but we are its major, major contributor of voluntary funds. I cannot believe that we cannot achieve in the Iran case what we achieved in the North Korea case and, at least, not give them the uranium exploration capability that will ultimately make the reactor a reality.

I do hope the Administration will vociferously take a position in this regard. Otherwise it is a hollow policy as far as I am concerned.

Mr. LEACH. [Presiding.] Thank you. I would just like to raise several quick issues. One, you referenced in Jordan the desire to get Japanese debt forgiveness. On the table in the international community at this time is a broader debt forgiveness involving 45 of the poorer countries in the world. The Administration has theoretically been somewhat supportive, but has not been definitively so, and I understand the subject is going to be raised at the next G–7.

I would just like to emphasize, because it touches potentially either directly in your jurisdiction in one or two countries or neigh-

boring jurisdiction, there is a lot of support in Congress for this initiative, and I hope that you are not too dainty in your attitudes. As you are advocating debt forgiveness for Japan, this is an exceptional time for the poorest of the poor to be very forthcoming. I hope that message is loud and clear to the Department of State, which has not been quite as active as it should be on this subject. There will be legislation that will be under consideration by perhaps this summer in that regard.

Second, I would like to raise the issue of culture and food. With regard to Iran, you have properly referenced that we do have some more forthright cultural exchanges. Everybody in life has certain interests, and you reference some orchestras and music and academic exchanges, but the greatest aesthetic art in the history of mankind is the sport of wrestling, and I hope the Department of State continues to bear that in mind, particularly with Iran. Wrestling is more important to Iran by maybe a thousandfold factor than ping-pong was to China. I hope as these wrestling exchanges come into being, the Department of State will be forthright, and I bring to you an Iowa perspective on this subject as well as a very personal one.

With regard to food in Iran, I happen to believe, as many do, that in terms of people-to-people relations, food and medicine are fundamentally people to people as contrasted with geostrategic and other dimensions, at least absent actual war. It is, of course, appropriate to open up in food and medicines with Iran, but it may not be a significant step unless there are government loan guarantees on the food side. So my question to you is, is the Administration considering loan guarantees on food exports to Iran?

Mr. INDYK. First of all, on the issue of debt forgiveness, this is not my area of responsibility, but I will certainly take back your views and make sure that they are registered forcefully with my colleagues. Jordan actually is not part of that group of the poorest nations, but for the other reasons that I have outlined to Congressman Lantos, we feel that it should enjoy the benefits of that debt forgiveness.

We agree with you completely and welcome your comments about wrestling, and we have sought to facilitate an exchange of wrestlers in various competitions, and that clearly resonated very strongly with the Iranian people. The unfortunate thing is that we can do these kinds of things, and we will continue to do them—and people-to-people exchanges are important, and the Iranians proposed enhancing that, and we have taken them up on that—but it hasn't, unfortunately, so far, perhaps it is too soon, had the kind of snowballing effect in terms of their willingness to engage with the United States in discussion of the issues of concern to us and the issues of concern to them.

We made it clear that we are ready to discuss both, but that we need to have that discussion. I think the President has been very clear in his interests in finding a way to engage with Iran, but we have also been very clear that there are these issues that need to be addressed, and that we are prepared to do so. There are things that concern them as well as the things that concern us.

I hope that wrestling will have the desired impact, and that sooner rather than later we will have the chance to wrestle with them over the negotiating table.

As far as loan guarantees, I have to answer that question in the negative. As part of this decision, we do not intend to provide loan guarantees for the purchase of food or medicines. The Iranian Government has the ability to pay for the needs of its people. If it doesn't, we think it should spend less on armaments, and particularly weapons of mass destruction, and more on the needs of its people. I don't think that the need is really there in this case, but even if it was, I don't believe that we would be involved in that kind of business. As I make clear in my opening remarks, we are opposed to international financial lending or extension of credits to Iran as long as it goes around doing things which threaten our interests and the interests of the international community.

Mr. LEACH. Fair enough. I just want to conclude by emphasizing I think everybody in this Congress would rather have exchanges with Iran based on muscle and not missile power.

Mr. Berman.

Mr. BERMAN. I would like to focus on your testimony on Iran, and I missed part of it. I take it is the Administration's belief that Iran continues to supply financial and other forms of assistance to organizations that we view as terrorist organizations. Does that assistance continue at this time?

Mr. INDYK. Yes, it does, in particular to Hezbollah.

Mr. BERMAN. What about Hamas?

Mr. INDYK. To Hamas it is more in terms of training and political connections, as far as we are aware. The Hamas doesn't have financial problems that they need to depend on Iran for financial assistance. They have their own network that we have been trying to shut down, a global network for raising funds. The Iranians also provide financial support to the Palestine Islamic Jihad, which is a straight terrorist organization based in Damascus. So it is basically Hezbollah, Hamas and PIJ that we are concerned about.

Mr. BERMAN. There is a view that has been stated a lot that basically President Khatami doesn't really have control of foreign and security policies. Is that the Administration's view, that others in Iran are in control on those issues; and that notwithstanding his perception as a moderate, it has very little impact on Iranian foreign policy?

Mr. INDYK. I think he does control Iranian foreign policy, if I can draw a distinction between that and national security policy. He doesn't control, as far as we can tell, the national security institutions, whether it is the Iranian Revolutionary Guards and their terrorist arm, the Al Guds force, or whether it is the Ministry of Intelligence, although he does have some influence there ,but he doesn't appear to control it.

As far as how to characterize what is going on there, I think we in the West, in the United States, have tended to view this as a struggle between the forces of enlightenment and the forces of reaction, with Khatami representing the good guys, with Supreme Leader Khomeini representing the bad guys, and with former President Rafsanjani somewhere in the middle. I am not sure that this captures the complexity of the power struggle that is going on.

There is certainly a dimension of that where the conservatives, and the conservative clergy in particular, are concerned about the way in which the people want greater freedom, freedom of expression, greater respect for the rule of law, greater individual freedoms. Khatami, the President, very much represents that point of view, but when it comes to national security policy, it seems that there is a kind of collective decisionmaking that goes on, and he operates within the context of this collective decisionmaking. I think we have seen considerable change in some areas.

If you look at the rapprochement within the Gulf in particular, with the Gulf Arabs, you see that they have attenuated some of their objectionable policies when it came to subversion and promotion of terrorism against these countries. They have, for all intents and purposes, stopped that, which suggests that there is some kind of collective decision in that regard.

I think we have to view it in both respects. What they have been able to do in the Gulf is entirely reasonable to expect them to be able to do when it comes to other forms of terrorism, particularly terrorism against the United States. We continue to be concerned about surveillance activities and preparations in that regard and when it comes to terrorism against the peace process. We are hopeful that they will come to understand that the very principle that they have applied in the case of reconciliation and rapprochement with the Gulf Arabs applies in these other cases as well, and that they will stop pursuing terrorism completely.

Mr. BERMAN. So it is now fair to conclude that, notwithstanding some internal liberalization, what I take to be a relatively open election recently and some changes in Iranian attitudes toward its neighbors in the Gulf, that on the basic points of continuing to develop a nuclear weapons capability, a long-range missile capability, and continuing support for at least certain terrorist organizations designed to try and destroy the Middle East peace process and perhaps some U.S. targets as well, those problems that caused our dual containment policy to develop are ongoing. Is that a fair——

Mr. INDYK. That is correct. With reference to dual containment, there is a long section that I didn't refer to in my opening statement about this. Dual containment is a policy that has developed over the past 6 years in two directions. In the case of Iraq, we are containing until overthrow. In the case of Iran, we are containing until engagement. So we are, in a sense, ready to go two different ways when it comes to Iraq and Iran, or we are already embarked on different routes.

Mr. BERMAN. I understand, and if we were to start negotiating or discussing our differences with Iran, U.S. policy would not keep us from doing that as I understand it?

Mr. INDYK. That is right. We have made it clear that we would engage with them.

Can I draw a distinction? I am not so sure how useful it is, but I think it is important that in the case of Iran's pursuit of weapons of mass destruction, that is something on which we don't see any differences between Khatami and Khomeini, or, for that matter, between this present government and the previous government of the Shah of Iran. The explanation for that, I think, is that Iran lives in a strategic neighborhood where other neighbors have these

weapons. Iran has strategic ambitions to be dominant in its region, and those are powerful motivators that will affect the whole question of whether they continue to pursue these weapons.

Mr. BERMAN. Mr. Chairman, would you just indulge me one reaction to that comment?

Chairman GILMAN. [Presiding.] Without objection.

Mr. BERMAN. I have thought for a long time that it is a mistake to hinge our policy toward Iran on whether Iran is continuing to pursue its weapons program. It is going to do that as long as it sees that that is in its interest, it seems to me—as opposed to, say, its continued support for terrorism and its implacable opposition to the Middle East peace process. On the issue of its weapons program, the focus should be on those countries that are contributing to Iran getting that program, not on Iran's policy. We should be looking at the proliferators in our continued and ongoing attempts to impede and slow down their ability to get those weapons.

Mr. INDYK. I agree with you, with one caveat, and that is that we do concentrate on the proliferators. As you know, we have had some success when it comes to North Korea and China. We have had less success when it comes to Russia. We are continuing to focus on that and hope that the kinds of action plans that have now been agreed on will be implemented, the kinds of law that have been passed there will also be implemented, and that this will have the effect of controlling the flow of technical assistance to Iran for its weapons programs. But it still remains important to address the issue of how to deal with the implications of Iran's acquisition of these weapon of mass destruction. That is an issue we are increasingly concerned about because of the way in which it can generate an arms race in the region, where countries who feel threatened by this development feel it necessary to develop their own weapons of mass destruction and missiles and so on. That is why we have developed this comprehensive approach that, on the one hand, tries to help our allies in the region—Israel, the Arab countries, Turkey—help them to defend against these threats, help them to deter such threats, help to slow them down, as you already suggested, and also tries to find a way to establish a regional security system in which these weapons do not represent destabilizing elements. That requires a moderation of the regimes that have these policies as well.

So, as part of a comprehensive approach, moderating the regime in Iran is an important element.

Mr. BERMAN. Thank you.

Chairman GILMAN. Thank you, Mr. Berman.

Dr. Cooksey.

Dr. COOKSEY. It is good to have you here today. The Clinton-Carville team was actually involved in the race in Israel recently, and I was over there earlier when the campaign was going on. My question is, first, what are the Administration's plans in terms of what is going to go on with Israel and its surrounding neighbors, and are we going to impose the Administration's plans for the settlement of the Golan Heights issue and some of the other issues there?

Second, if we are imposing our political values and political campaigns on the Middle East countries, are we going to continue to

impose Americanism on these other civilizations that have different cultural values; or are we going to allow them to keep the good things about their culture and their civilizations as they move into a world in the next century in which people's values, lives and freedoms are respected?

Mr. INDYK. We have long believed that peace in the Middle East cannot be imposed on the parties, on any party; that the only way to achieve a lasting peace is through a direct negotiation between the parties in which they reach agreement amongst themselves. We can facilitate that. We can, where it makes sense, propose ideas or bridging proposals; but we cannot and will not impose our own view of a settlement on the parties because that is just a recipe for an unstable arrangement that won't last, and we are not interested in that.

As far as imposing our culture, you raise an interesting point about which I think there is a great deal of concern, particularly in the Arab world, where it has been present for not just for decades, but for centuries. This is the historical tension between the West's culture of modernization and Islam's values, and it has in many ways been a creative tension. Islam has made a tremendous contribution, as you are probably aware, to Western civilization, but at times it can be quite threatening to them.

But my first point is that this is not a new phenomenon. It doesn't come with the Internet and globalization. It has been there for many centuries, in fact, since Napoleon invaded Egypt. In the current environment, what we see in the region is an effort to come to terms with this, to try to reconcile the tension between Islam and the West; and what we do see is traditional Islamic conservative societies beginning to change, to modernize. The modernization is inevitable as a result of globalization, but as the new generation comes forward, we see—and that is what we are witnessing now—a generational change in the Middle East. We see a greater openness and receptivity to the process of modernization, and this is occurring at both the levels of the people and the leaders. An important phenomenon to note is the way in which the succession process is now taking place to the next generation.

It happened in Israel's democratic process with the election of Netanyahu, and Barak is of that generation. It has happened in Jordan with the passing of the throne to the next generation, King Abdullah rather than the previous crown prince, King Hassan, the king's brother. We have seen it happen in Bahrain as well with the new emir, the son of the old emir. We see an ophthalmologist in Damascus being groomed by his father to take over there.

Dr. COOKSEY. Better than a lawyer.

Mr. INDYK. But it is not just there. King Hassan in Morocco is grooming his son to take over. Throughout the Gulf you have a new generation being prepared to assume power, and those people, coming from a younger generation, most of them having been educated in the West, do bring to government a modern outlook and an ability to reconcile this tension in a way in which the older generation had much more difficulty.

Dr. COOKSEY. Good; that is my concern. I have met people on both sides of the issue in the Middle East on the Israeli side and on the Arab side, and there are some wonderful traditions in all

the cultures. I just hate to see us go in and impose our political system. There are some bad things about our political system, too, sometimes; and I also hate to see us put a McDonald's on every corner, because they have some wonderful food without McDonald's—in fact I seldom go to McDonald's here. I would hope that the good things about their culture, their religion, their traditions are left alone. Maybe some of the areas that cause some problems and are not ideal in a democratic society will improve with time.

Thank you, Mr. Ambassador.

Chairman GILMAN. Thank you, Dr. Cooksey.

Mr. Delahunt.

Mr. DELAHUNT. Thank you, Mr. Chairman, but I will defer to my colleague, who I think was here before me.

Chairman GILMAN. Mr. Sherman.

Mr. SHERMAN. Thank you, Mr. Delahunt. Thank you, Mr. Chairman. I want to invite the doctor to my district where the number of Middle Eastern restaurants nearly reaches the number of McDonald's.

Dr. COOKSEY. Great.

Mr. SHERMAN. I want to commend the Ambassador for his response on the question of loans to rogue states. I know it is particularly appealing to think that we are providing food, but really, we are just providing money. Even something as seemingly innocent as a loan guarantee to Iran to buy food is as good as a loan, because if you can borrow money with the full faith and credit of the United States, you can get money anywhere and at low rates. Money is fungible, and the money that Iran doesn't need to spend from its own budget to buy food can be used to buy weapons of mass destruction or to fund terrorism. I would add for the record, and I don't have the citation, that a study of Iraq during the 1980's indicates that the money it was able to avoid spending to buy food went directly into its weapons acquisition and development programs.

I particularly want to commend the Ambassador for his statements about the 13 Jewish religious leaders from the Iranian city of Shiraz. I believe this is the first public U.S. Government comment; and that makes sense because, although these religious leaders were seized during Passover, over 60 days ago, many of us have worked behind the scenes. But you can't work behind the scenes anymore now that the Iranian Government has charged these individuals, rabbis, with spying, a capital offense in Iran. Mr. Ambassador, what effort is the State Department undertaking or planning to undertake in order to secure their release or at least assure their safety?

Mr. INDYK. Thank you, Congressman Sherman. I know that you have been particularly concerned about this and involved in trying to resolve the situation. It is, I am sure you will agree, a very unfortunate development that the Government of Iran has announced that these 13 Iranian Jews from Shiraz and Isfahan, some of them teachers, some of them rabbis, have been charged with espionage. As you know, we have been actively following this since it occurred, seeking to support efforts by others to find a solution to the problem, and we will continue to do so.

As you know, we do not have a direct dialogue or ability to engage the Iranian Government directly in this regard. We will certainly be active in ensuring that those who do have the ability to engage with the Iranian Government make this an issue. I would repeat again what I said in my opening remarks, when I don't think you were here, that we call on the Government of Iran to ensure their safety and to release them immediately.

Mr. SHERMAN. I was here in spirit. I heard you.

We have recently undertaken an extraordinary effort for the benefit of peace and security in Europe. We have reacted to human rights abuses and stability threats in Europe with greater force than similar threats and similar abuses on other continents. With that in mind, have we called upon Europe to pressure or even perhaps reduce its economic involvement with Iran? I make reference especially to the investment of the Total French Oil Company in Iranian oil fields. Is that something we are either doing or anticipate doing?

Mr. INDYK. We have worked closely with our European allies, particularly when it comes to counter proliferation, to prevent Iran from acquiring the technology capabilities that would enable them to advance their WMD Programs. Its the same when it comes to terrorism—making sure that this is an issue on their agenda when they engage with the Iranians.

When it comes to economic pressure on Iran, we have been less successful. We have tried hard over the years to persuade our allies not to engage in normal commerce with Iran. We succeeded in some cases in preventing international financial institutions from lending to Iran. We have succeeded in holding up any kind of foreign assistance to Iran, but when it comes to commercial dealings, including foreign credits by these countries, we have had less success.

When it comes to investment in the Iranian oil industry, we have taken a very strong position against that, as has the Congress. We have opposed that very forcefully. The Congress has enacted the Iran-Libya Sanctions Act, which provides for sanctions in the case of foreign investment in the Iranian oil industry.

Mr. SHERMAN. Mr. Ambassador, if I could cut you short because I just want to get in one question to which you may want to respond in writing later. I do hope in light of Kosovo that the European public is urged to make some sacrifices in this direction.

I just want to shift and put in the record a question. We have not moved our embassy to Jerusalem or taken other steps because we do not want to deal with issues involving final status, yet at the same time the President has written a letter stating that the Palestinian people should be able to determine their own future on their own land, which many have been interpreted as leaning in the direction of statehood or at least dealing with the issue of final status. In light of the Administration already commenting upon final status with regard to self-determination, how could it be harmful for the U.S. Ambassador to officially maintain a working office in Jerusalem or to allow Americans born in Jerusalem to have their parents listed on their passport, place of birth, Jerusalem, Israel?

Mr. INDYK. Do I have a chance to answer that?

Chairman GILMAN. Please, yes, but time is short, so we will have to conclude right after Mr. Delahunt. Go ahead.

Mr. INDYK. In terms of the statement the President made, this is not a new statement. This is a repetition of statements he has made in the past. He is very careful to avoid endorsing Palestinian right to self-determination. I think you, yourself, said some may have interpreted it that way, but that is not the position we have taken. We continue to argue very forcefully and effectively to the Palestinians that the only way in which they can pursue their aspirations effectively is through negotiations, and that is the exact context in which those words you read were made in the President's letter to Chairman Arafat. That is the position that we took and succeeded in getting him to avoid making a unilateral declaration of independence.

We are entirely consistent in saying that whether these issues are Jerusalem or the status of the Palestinian and Judea issues, that the parties agreed they would deal within the final status negotiations, and that is where they should be addressed. We will not seek to preempt the outcome of those negotiations, whether they have to do with Palestinian rights or Israelis.

When it comes to the—you mentioned passports, and what was the other issue? Can you help me?

Mr. SHERMAN. One issue was officially maintaining a working office.

Mr. INDYK. Yes. I just wanted to make clear that we had a suite of rooms in a hotel when I was Ambassador that we maintained, the Alon Hotel. Now the Ambassador has an apartment there for the sake of convenience and security and for conducting business in Jerusalem. We use those rooms for that purpose, and that has been a long-standing practice. I think it started under Ambassador Sam Lewis, so we don't avoid doing business in Jerusalem in that way.

As far as the passport is concerned, it is a very difficult issue which I personally feel quite uncomfortable about. But again, consistent with our policy of not wanting to do anything that would infer that we take a position on this issue, we have avoided resolving that.

I hope, Mr. Sherman, that we will be able to get the final status negotiations resumed in short order, and that we will be able to resolve these issues in those negotiations. Our objective is to try to do that on an accelerated basis, and that hopefully a year from now we won't have to have these kinds of discussions.

Chairman GILMAN. The gentleman's time has expired.

Mr. Delahunt.

Mr. DELAHUNT. I don't know if I have any time, Mr. Chairman, but let me just pose three questions, and if there is insufficient time, maybe you can communicate in writing. You expressed concern about Iran's position vis-a-vis the Israeli-Palestinian peace process. Could you describe the level of activity that you discern in terms of impeding that process?

Second, on page 12 of your testimony, you refer to concern about the arms race and ballistic missiles and weapons of mass destruction. Then you go forward to talk about strengthening active and passive defenses and enhancing deterrents. I am just somewhat

concerned that we may be encouraging or inciting or aiding and abetting that arms race. Could you just clarify that?

Again, I refer to page 10 of your testimony which discusses how we have worked constructively with Iran in multilateral settings on issues of common concern, such as countering the spread of narcotics. I applaud that. I would like to hear you amplify on that. Who is winning those wrestling matches, by the way?

Mr. INDYK. We are.

Mr. DELAHUNT. We are. That is good to hear.

Mr. INDYK. In terms of Iranian opposition to the peace process, I think the best example of the problem here was after the Wye Agreement was signed by Chairman Arafat. The Iranians came out and attacked him and the Palestinian Authority in a very critical way, and I think within about a week of the signing of that agreement, a bomb went off in Jerusalem. Thankfully, it went off prematurely and only wounded a few people, but the Palestine Islamic Jihad claimed responsibility for that bomb, and that bomb was aimed at the heart of the peace process.

Mr. DELAHUNT. You have concluded that was not simply because of the link between Iran and the Jihad, but that this specific act was supported by Iran?

Mr. INDYK. Let me be a little careful here.

Mr. DELAHUNT. Right.

Mr. INDYK. What is clear is that Iran is supporting the Palestine Islamic Jihad, and the Palestine Islamic Jihad is not like Hamas. It doesn't have a kind of political movement behind it. It is a straight terrorist organization, and it is financed by Iran, and that is the problem. If that bomb had succeeded in going off when it was supposed to in the middle of a market in Jerusalem, it would have had a devastating effect.

So we have to ask ourselves, what are the Iranians up to? What are they trying to achieve here? It seems from their rhetoric as well as their actions that they want to impede the peace process. They want to succeed. I believe that, however, past terrorist bombings that were backed by Iran did have an effect in seriously slowing down the process. It is because of these specific issues that we continue to be concerned about it. You have a situation where President Khatami, who has condemned terrorism, goes to Damascus and meets with these groups, and we have to ask ourselves why, is that necessary?

When it comes to what we are doing on the WMD front, I think I understand your point, but what we are trying to do here is help countries that are threatened by these weapons, and deal with it through defense or enhancing their deterrent capability with our own deterrent capabilities. These are difficult, complex questions. We are not there yet. We are not ready to brief you on exactly what it is we have in mind when it comes to deterrents, but the whole purpose is to avoid that arms race rather than to fuel it.

When it comes to counter narcotics, the Iranians have been very aggressive in their efforts to stamp out narcotics production in Iran and transiting of narcotics through Iran.

Mr. DELAHUNT. Have we worked with them in a multilateral——

Mr. INDYK. Through the UNDP, we have. We have supported that. We have recognized their efforts in that regard by taking them——

Mr. DELAHUNT. If I may, Ambassador, have our drug enforcement officials, our law enforcement officials had direct contact with their counterparts?

Mr. INDYK. I don't believe so, although I am not exactly sure, but that hasn't happened in international fora. I believe that there may be some opportunities in the near future.

Chairman GILMAN. The gentleman's time has expired.

Mr. Secretary, one last question. Is the Administration considering ways to extend the life of existing economic aid programs for Yemen which are currently operating on residual funds in a pipeline, and what is the status of Yemen's request that the Peace Corps return to Yemen?

Mr. INDYK. The answer is we would very much like to. I think, Mr. Chairman, how seriously stressed the foreign aid funds are, and any help that you can provide us in that regard in terms of the moneys available would be much appreciated because we do think Yemen deserves support and that the aid program should be extended.

Chairman GILMAN. Thank you very much for your time and patience, Mr. Secretary. The meeting stands adjourned.

[Whereupon, at 12 noon, the Committee was adjourned.]

A P P E N D I X

JUNE 8, 1999

Opening Statement of Chairman Benjamin A. Gilman
House International Relations Committee
Hearing on "Developments in the Middle East"
Tuesday, June 8, 1999

This morning the Committee on International Relations conducts a hearing on "Developments in the Middle East." As usual, we are pleased to have Assistant Secretary for Near East Affairs Martin Indyk join us on this important topic.

In the past few months there have been a number of changes in the region which affect US policy on a variety of regional matters. The Committee is therefore particularly interested in the Administration's views regarding these changes, particularly as they affect US policy regarding the Middle East peace process, Iran, and Iraq.

With the election of Ehud Barak as Israel's Prime Minister elect, many expect Israeli Palestinian negotiations to resume fairly quickly. Barak still has to put together a coalition government, but has given indications that he will come to the United States at an early date. We therefore hope that Secretary Indyk will apprise us of the latest developments in this area.

Iran's actions on a variety of issues continue to be of grave concern to many of us. Also alarming was a recent disclosure that Iranian authorities arrested 13 Jews on charges of spying for Israel and the United States. The suspects were accused of spying for the "Zionist regime" and "world arrogance," references to Israel and the United States, respectively.

We are very disturbed about this development, and want to know what steps the our nation has taken in this matter, and how it may affect our policy considerations regarding Iran. Clearly, the regime is not rehabilitating its image, if that has been its intent.

Iran's neighbor, Iraq, wants to raise its oil output. As such, it recently ordered government engineers to start developing a giant oil field in the south to add 80,000 barrels to daily production. We would welcome the Department's comments about this new circumstance, and how that impacts sanctions against Iraq and the oil-for-food program.

We also want to discuss in greater detail the Administration's plan to assist the Iraqi opposition, since we met just a few days ago with leaders of the executive Presidency of the Iraqi National Congress.

Elsewhere in the region, Egypt's parliament overwhelmingly nominated President Hosni Mubarak for a fourth six-year term, while President Mubarak signed into law new restrictions on Egyptian human rights groups. Regrettably, the law allows the government to disband the boards of directors of private groups, nullify their decisions and object to funding sources. The law also sets prison terms of one or two years for violations.

While the State Department has said this new law takes Egypt in "the wrong direction," we are anxious to learn about efforts to moderate this restrictive law, as well as the Department's assessment regarding the progress of democratic governance and the human rights of the Coptic Christian minority.

Secretary Indyk, we have a lot to cover this morning. You may read your statement or summarize it if you wish. It will be made part of the record of this hearing. The Committee plans to send you additional questions to be answered for the record in the event that we do not cover everything we hoped to. So, please proceed.

Written Statement of Martin S. Indyk
Assistant Secretary for Near Eastern Affairs
Department of State
House International Relations Committee
June 8, 1999

I welcome this opportunity to appear before you again to discuss United States policy towards the Middle East.

In the Middle East, as in the rest of the world, we stand on the threshold of a new millennium. But this region finds itself caught between its turbulent, conflict-ridden past and a future of greater peace, stability, prosperity, and popular participation. It is not yet clear which direction the Middle East will take because the indicators are mixed.

The difficulties in the Arab-Israeli peace process on all tracks over the past two and a half years had the effect of dramatically slowing the momentum towards positive change in the region, and it reduced the hopes of many that a comprehensive peace would usher in a new era of coexistence and regional cooperation. Last month, however, the Israeli people voted for change, and Prime Minister-elect Ehud Barak now has a strong mandate to continue the search for a comprehensive Arab-Israeli peace.

Saddam Hussein's defiance of the UN Security Council threatens to destabilize the Gulf while exacting a heavy price from the Iraqi people. But the Iraqi tyrant has emerged from the Desert Fox campaign weakened and isolated and less capable of creating trouble for his neighbors.

President Khatami's election in Iran and the recent local elections there have made clear that a significant majority of the people of this great nation support political liberalization, respect for the rule of law, and a constructive role for Iran in regional and international affairs. But this evolution still faces strong and sometimes violent opposition from some quarters inside Iran. Moreover, Iran's determined development of ballistic missiles to enable delivery of its weapons of mass destruction over long distances has the potential to trigger a new and dangerous arms race across the region.

Extremism is now on the defensive in Algeria and Egypt after years of bloody confrontation. Across the Arab world a gradual struggle for political liberalization and economic reform is taking place. In Morocco, the opposition has become the government; in Qatar women have voted for the first time in a GCC state, and Kuwait has decided to permit women to vote as well; and the Palestinian Authority is being held to account by an elected Palestinian Legislative Council. Developments in the recent Algerian elections were a disappointment to us but the people's desire for political and economic reform is manifest and President Bouteflika is beginning to make clear his intention to respond to their aspirations. Meanwhile, Egypt, Tunisia, and Morocco have implemented significant and far-reaching economic reforms.

Finally, King Hussein's untimely death has underscored the fact that a process of succession is underway across the region after decades of unchanging rule in most Arab countries. The transitions in Jordan and Bahrain have been encouragingly smooth, but these may be the exceptions rather than the rule. And we must remain cognizant of the fact that over the next decade, leaders who have built up credibility and legitimacy over many years will be replaced by a younger generation who will take some time to establish itself.

Because the Middle East is a region of vital interest to the United States, we are committed to helping it achieve a better future in the 21st century than what it has experienced in the last half of the 20th century, when the Middle East was often a synonym for trouble and hopelessness. Above all, we have an intense interest in preventing it from backsliding into another era of extremism and conflict, marked by a new arms race in ballistic missiles and weapons of mass destruction.

In confronting these challenges, we have sought on the one hand to contain those governments or political movements that use violence as a matter of policy to advance a hostile agenda. At the same time, we have mounted a steady and determined effort to expand the breadth and depth of our partnerships with friendly governments in the region to promote the peace, stability and prosperity which remain our abiding vision for the Middle East. We have also sought to encourage states in the region that have developed the bad habit of acting outside of international norms to change in ways that would permit their reintegration into the international community. As a consequence, this always crisis-prone region has seen a marked decline in violence and conflict in the past six years and now has the potential for a significant deepening of peace and stability.

As we look to the future of the region, the question before us is: How can we widen the circle of peace while countering those who would oppose the promotion of a more normal existence for all the people of the region? The answer in our minds is clear. We must broaden the scope and depth of our relationships with those states that share our commitment to a more peaceful and prosperous region, working with them to achieve our common vision. At the same time, we must enforce our ability to overcome those forces that threaten our interests.

ARAB-ISRAELI PEACE PROCESS

Looking back in time, enormous progress has been made in realizing the historic goal of a comprehensive Arab-Israeli peace. Twenty years after the Israel-Egypt treaty -- which remains the bedrock of all subsequent progress -- peace between Israel and all of her neighbors is in sight.

In the six years since the signing of the Declaration of Principles in Washington, we have witnessed the signing of a peace treaty between Jordan and Israel, the Israeli-Palestinian Interim Agreements, the Hebron Protocol, and the Wye River Memorandum. The PLO has revised its Charter, and Arafat has pledged that there will be no return to violence. The Likud-led government of Israel took a historically important step by

agreeing to redeploy from parts of the West Bank, thereby resolving an ideological debate decisively in favor of the principle of land for peace and territorial compromise in the West Bank.

The process of normalization and Middle East Economic Summits have resulted in the abandonment of the secondary Arab boycott and the establishment of commercial contacts between Israel and all but a handful of Arab countries, including the establishment of trade offices with Morocco, Tunisia, Oman and Qatar. And although agreement was not reached, Israeli-Syrian negotiations did establish the basis for settlement of that long-standing conflict.

The coming period offers a renewed opportunity to move forward on all tracks. Once Prime Minister-elect Barak forms his government, we expect he will come to Washington to discuss with President Clinton how best to proceed on the peace process. For our part, and in full coordination with all the parties, we intend to work vigorously on furthering comprehensive peace in the region. On the Palestinian track, we believe that the Wye River Memorandum should be implemented and we have called on both parties to engage in accelerated permanent status negotiations and rededicate themselves to the goal of reaching an agreement within one year.

Throughout the peace process, we have been guided by the belief that agreements can only be reached through direct negotiations. The only bases for negotiating a peace agreement between Israelis and Palestinians are the terms of reference defined in Madrid and the principles agreed to in the Oslo Accords. These include UN Security Council resolutions 242 and 338; they do not and never have included UNGA resolution 181.

Our experience has taught us the importance of the parties creating the proper environment for progress in their negotiations and for dealing with differences through those negotiations. That is one reason why the Administration is working hard to see that the proposed July 15 meeting of the High Contracting Parties to the Fourth Geneva Convention does not take place. We have voiced our opposition to such a meeting in the strongest terms, have made clear that we would not attend a meeting if it takes place, and we have encouraged all others to do likewise. This meeting will not contribute to the peace process. That is also why we have called on both sides to refrain from taking unilateral steps – such as unilateral declaration of statehood or provocative settlement activity – that could prejudge the outcome of permanent status negotiations.

Between Israel and Lebanon and Israel and Syria, there have been no direct negotiations in three years, and these tracks should move forward as well. When there were negotiations between Israel and Syria, progress was made but significant gaps remained, particularly in the all-important area of security arrangements. If the parties are willing to match our effort, we are prepared to do our part to help bring about peace between Israel and Syria. This is not only because of our commitment to a comprehensive peace, but also because an Israel-Syria peace agreement would contribute to peace between Israel and Lebanon and would have important regional benefits as well.

NORTH AFRICA

With regard to Libya, we have seen almost 10 years of efforts finally bear fruit in the delivery last April for trial of the two Libyan suspects in the 1988 bombing of Pan Am flight 103. This extraordinary effort succeeded because of sustained cooperation from our British and Dutch allies – both of which had to adopt special legislation to accommodate the initiative. UN Secretary General Kofi Annan also played a critical role, and the personal involvement of former South African President Mandela and HRH Crown Prince Abdallah of Saudi Arabia was a crucial factor in the final push to obtain Libyan compliance. Because we now have the real possibility of a trial, we are a critical step closer to achieving a measure of justice for the victims of that appalling attack and for their families.

The surrender of the suspects has led to the suspension of the UN Security Council's sanctions against Libya, as the relevant UNSC Resolutions provide. The permanent lifting of those sanctions will require a further resolution by the UNSC. That Council action would follow a report by the Secretary General on the status of Libyan compliance with the remaining requirements of the Security Council Resolutions, specifically, to:

--end and renounce support for all forms of terrorism;
--pay appropriate compensation;
--acknowledge responsibility for the actions of its officials;
--cooperate with the investigation and the trial.

We do not think the Secretary General will be able to report positively on Libyan compliance with those requirements by the early July deadline for his report. This is true particularly because Libya's obligation to cooperate must be measured in part by its response to requests from the Scottish court. We are aware, however, that many Security Council members are anxious to close the chapter of Libya sanctions, and might be prepared to accept Libyan assurances instead of actions. We are not. We will not seek to delay unnecessarily the transition to a permanent lifting of sanctions. We would like to see Libya genuinely comply and return to full participation in the family of nations. But the requirements set by the Security Council are real and must first be addressed. We would prefer to avoid unnecessary confrontation in the Council on this issue, but are prepared, as the Secretary has indicated, to veto a Resolution lifting sanctions if it is presented before we are satisfied with Libyan actions.

We will be talking very shortly in New York with the Secretary General and our British counterparts and Libyan representatives to communicate our views about what the Libyans need to do to address the points I have listed. And we are prepared to continue dialogue with them to make clear the actions they need to take to comply fully with the UNSC Resolutions.

U.S. unilateral sanctions against Libya remain in place. It is too early to speculate about the future of bilateral relations with Libya, or about any future actions with respect

to our unilateral sanctions until we see what the Libyans are prepared to do to satisfy the remaining requirements of the UNSC Resolutions.

Elsewhere in North Africa, we remain engaged with our friends – particularly Morocco and Tunisia -- on issues ranging from political and economic reform, to support for the Middle East peace process, to military cooperation and human rights. We are seeing progress on those issues, though it can be hesitant and uneven. Algeria remains of great concern: the level of violence is not what it was a year ago, but we have not yet seen the kind of progress on political and economic reform we think is fundamental to a secure, prosperous and democratic future for Algeria. Yesterday, President Bouteflika announced an amnesty for members of the AIS who renounce violence and terrorism. This is an important step forward. We hope that it presages an approach by President Bouteflika towards rebuilding Algeria that we can actively support.

The dispute between Morocco and the Polisario Front over the territory of the Western Sahara is another issue of concern. We continue to support the efforts of the UN and former Secretary of State James Baker to implement the settlement plan to which Morocco and the Polisario have agreed. Like many others, however, we would like to see the two parties move forward to the holding of a referendum or be prepared to engage in what they have committed themselves to doing under the plan, or to indicate an alternative means of settling this issue.

IRAQ AND IRAN

Let me now turn to Iraq and Iran by reviewing what has become known as our "dual containment" policy towards Iraq and Iran, a policy enunciated by the Clinton Administration six years ago and pursued with vigor ever since.

Dual containment was premised on the notion that the U.S. needed to shift away from our earlier policy of relying on either Iraq or Iran to balance each other, a policy we had followed throughout the previous decade with disastrous results. Instead, we judged that both regional powers, while war-weary and economically weakened, were still militarily ambitious and clearly hostile to the United States and our interests in the region. We therefore decided to focus our efforts on containing Saddam Hussein's threats to his neighbors and his own people, while at the same time pursuing multilateral efforts to prevent Iran from acquiring and developing weapons of mass destruction (WMD) and the ballistic missiles necessary to deliver them. Our policy vis-à-vis Iran was also based on continuing to seek change in dangerous Iranian policies – including support for terrorism, subversion of friendly governments and violent opposition to the Middle East peace process -- through economic pressure aimed mainly at Iran's oil industry.

Dual containment, however, never prescribed identical policies towards Iraq and Iran, nor was dual containment designed to be static or inflexible over time. Indeed, it is quite natural that these two states would evolve differently, and that our policies would evolve in response. Nor was dual containment meant to impose a kind of Pax

Americana on the region, in which we would try to exclude Iran and Iraq – both large and important regional players – permanently from making positive and constructive contributions to the economics, politics, and security of the region, should they change their hostile ways.

Over the past six years we have in fact seen pronounced differences in the evolution of both the external and internal policies of these two regional powers. And U.S. policy has adapted itself in response.

Iraq, under Saddam Hussein, remains dangerous, unreconstructed and defiant. We have come to the conclusion, after more than seven years of effort at seeking Saddam's compliance with UN Security Council resolutions, that his regime will never be able to be rehabilitated or reintegrated into the community of nations. This conclusion is based on what Saddam's record makes manifest – that he will never relinquish what remains of his WMD arsenal, and that he will never cease being a threat to the region, U.S. interests, and his own people. It is based on Saddam's policies, not on any predetermined policy of our own. Thus, in November of last year, President Clinton announced a new policy with regard to Iraq: henceforth, we would contain Saddam Hussein while we sought a new regime to govern in Baghdad. The President committed the United States to support those Iraqis – inside and outside Iraq – who seek a new government and a better future for all the people of Iraq.

The evolution in Iran, and hence our own response, has been markedly different. In recent years, the Iranian people have demonstrated a desire for greater participation in their governance, freedom from undue interference by the state in their private affairs, and greater openness and contact with the outside world. Iran's leaders have taken steps to address these concerns, conducting generally fair presidential and local elections, allowing increased public debate, and publicly shifting from a foreign policy of confrontation to one of dialogue and cooperation. Despite these positive developments, we continue to have serious concerns about some Iranian policies that violate international norms and threaten our interests and those of our allies.

We would be remiss, however, were we to fail to adjust our approach to the changing reality in Iran. As Iran's leaders have shown an interest in constructive engagement with the international community, we have sought to respond by highlighting our interest in encouraging changes in Iranian behavior and establishing through dialogue a road map for building a more cooperative relationship. This approach was enunciated by Secretary Albright last June in her speech to the Asia Society in New York.

IRAQ

Eight years after the Gulf War and Saddam's persistent defiance of the international community, we are under no illusions that Iraq under Saddam Hussein will comply with UNSC resolutions on disarmament, human rights, accounting for POW's and the return of stolen property.

In view of this reality, our policy rests on three pillars. First, as long as he is around, we will contain Saddam Hussein in order to reduce the threat he poses both to Iraq's neighbors and to the Iraqi people. Second, we will seek to alleviate the humanitarian cost to the Iraqi people of his refusal to comply with UNSC resolutions. Finally, we will work with forces inside and outside Iraq, as well as Iraq's neighbors, to change the regime in Iraq and help its new government rejoin the community of nations.

Our policy of containment plus regime change is designed to protect the citizens of Iraq and its neighbors from an aggressive and hostile regime. Sanctions prevent Saddam Hussein from reconstituting his military or WMD capabilities. Operations Northern and Southern Watch prevent Saddam from using his air force against the civilian populations north of the 36th parallel and south of the 33rd. We maintain a robust force in the region, which we have made clear we are prepared to use should Saddam cross our well-established redlines. Those redlines include: should he try to rebuild his weapons of mass destruction; should he strike out at his neighbors; should he challenge allied aircraft in the no-fly zones; or should he move against the people living in the Kurdish-controlled areas of Northern Iraq.

Let me be particularly clear on this point: the United States is concerned for the protection of *all* Iraqis against the repression of the Baghdad regime. Hence, we believe that the world community should tolerate no backsliding from Baghdad's obligations under any of the UNSC resolutions intended to protect the people of Iraq and its neighbors from the depredations of the current Baghdad regime. In particular, UNSC resolution 688 twice cited the consequences of Baghdad's repression of the Iraqi civilian population as a threat to international peace and security. It therefore demanded that Baghdad "immediately end this repression." Baghdad is in flagrant violation of this UNSC resolution, as it is of so many others.

We are committed to maintaining UNSC sanctions against the Iraqi regime, while lifting the burden of sanctions off the backs of the Iraqi people through the expansion and streamlining of the oil-for-food program

This humanitarian relief program is the second pillar of our policy. Sanctions were never directed against the humanitarian needs of the Iraqi people. In fact, food and medicine are specifically exempt from sanctions. Iraq has always been free to buy and import these goods, but Saddam Hussein has long chosen not to do so in order to manipulate public opinion by deliberately causing the suffering of his own citizens. Our response has been to first establish, and then expand the oil-for-food program, which provides a mechanism for the international community to control the use of revenues from the sale of Iraqi oil for the purchase of humanitarian supplies for the Iraqi people. Despite interference by the regime, the oil-for-food program has ensured that the people of Iraq receive the food and medicine, which their own government denies them. There is a fundamental principle at work here. As long as the current Baghdad regime is in defiance of the UNSC resolutions, we will never allow him to regain control of Iraq's oil revenues. They will continue to be escrowed by the UN and their uses controlled by the UN sanctions committee.

Although effective, containment has its costs. As we have seen repeatedly since 1991, even a contained Iraq under its current leadership remains a threat both to the stability of the region and to the welfare of the Iraqi people. Both are paying too high a price for Saddam's continued rule. In our judgment, both urgently deserve better. It is past time for Saddam to go.

For these reasons, President Clinton announced in November that the United States would work with the Iraqi people toward a government in Iraq which is prepared to live in peace with its neighbors and respect the rights of its people. We are fully committed to supporting the Iraqi people in bringing this about. In pursuit of this objective, the United States will adhere to two important principles: one, we will uphold the territorial integrity of Iraq; and two, we will not seek to impose from the outside a particular government or leaders on the people of Iraq. We do support a change of government that will be responsive to the aspirations of the Iraqi people – one that takes meaningful steps toward a democratic future for the country and can represent fairly the concerns of all of Iraq's communities. And we will work with a new Iraqi government, as it pledges to fulfill its international obligations, to lift the sanctions, to deal with the large debt burden, and to reintegrate Iraq into the international community.

If it is to be successful, change must come from within, from the Iraqis themselves. In particular, the security forces and the people must stand on the same side. The support of Iraqi exiles, including the politically active opposition, along with neighboring states, however, is indispensable: the captive Iraqis need a voice. And, in particular, the internal Iraqi resistance needs a voice, through the Iraqi Opposition living in freedom, to make clear to all Iraqis and to the world its aims. The Iraqi National Congress has described these resistance aims to us as: first, to bring the security forces to the side of the people in changing the regime; and second, after the current regime passes, to stand with all Iraqis in promoting reconciliation and reconstruction. Our approach is to work in an intensive and coordinated way with these Iraqis and other countries that support these aspirations of the Iraqi people.

Free Iraqis -- those in exile and those who live in relative freedom in northern Iraq – bear a special responsibility to develop a coherent vision for a brighter future. They must take the lead in developing and promoting an alternative vision based on the restoration of civil society, the rebuilding of the economy, and the promotion of a new role for Iraq as a force for peace and reconciliation in the region. They can also play an effective role in delegitimizing Saddam, in helping to build the case for his prosecution as a war criminal, and in getting the truth into and out of Iraq. And, as Iraqis committed to a future vision of Iraq that appeals to Iraqis inside and to Iraq's neighbors, they can best build the case for the support of regional states to channel more material assistance to the Iraqi people and their resistance elements.

Congress has provided the Administration with a number of important tools to support Iraqis who are working toward a better future for Iraq. These include earmarks of $8 million in existing Economic Support Funds. We are using these funds to strengthen

opposition political unity, to support the Iraq war crimes initiative, to support humanitarian programs and the development of civil society, and for activities inside Iraq.

We also have established and recently stepped up broadcasting hours for Radio Free Iraq, which operates independently and broadcasts daily in Arabic uncensored news and information to the Iraqi people.

We have named a Special Coordinator for Transition in Iraq, Francis Ricciardone, who is managing the overall effort. Mr. Ricciardone has already had considerable success in helping disparate opposition groups work together and elect a new interim leadership that right now is preparing the way for an Iraqi opposition conference that will have as broad participation as possible. He also is consulting intensively with regional states on how best to promote our shared interests in the reintegration of Iraq to the world community under a government that will act responsibly both internally and externally.

We have also made progress working with the two major Kurdish factions in the North, the PUK and the KDP, to help them reconcile their differences and better provide for all the people of northern Iraq. The two major Kurdish leaders, and other groups from Northern Iraq, have played a very positive role in reunifying and reviving the Iraqi National Congress. This portends well for the contribution the Kurds, Turcomans, Assyrians, and Arabs of the North must also make in reunifying and rebuilding Iraq when a new leadership in Baghdad makes this possible.

Finally, there is the Iraq Liberation Act, which provides discretionary authority to the President to direct up to $97 million in Defense Department drawdown and training for designated Iraqi opposition groups. We have now begun drawing down this account for the provision of non-lethal supplies to the opposition.

Many have called on the President to use this authority to arm the Iraqi opposition and support military action against Saddam Hussein. We believe such action is premature. There are a host of issues that must be resolved before such equipment and training could be provided with confidence that it would advance our objectives of promoting a change of regime and not just lead to more Iraqis being killed unnecessarily. One requirement is a credible, broad-based, Iraqi political umbrella movement, based on consensus, that can authoritatively articulate a future vision for those Iraqis who now lack a voice in their own fate. Hence, the first kinds of support which we will provide to the Iraqi Opposition under the drawdown will be to meet their most urgent requirements: equipment for the infrastructure vital to the effectiveness of an international political advocacy movement; broadcasting equipment; and training in "civil affairs." Further kinds of material assistance to the Iraqi opposition can be provided when they can best be absorbed and exploited.

To channel substantial assistance to those resisting Saddam's oppression inside Iraq, we will need the cooperation of Iraq's neighbors. Although they all share and support the Iraqi people's longing for a change of regime in Baghdad, they have strong

views about how we can help the Iraqi people reach this goal. We must take those views into account, and gain their cooperation in promoting the recovery of Iraq as a good neighbor and contributor to regional stability.

IRAN

Secretary Albright discussed our policy towards Iran at length in her Asia Society speech one year ago. The main point the Secretary made was that we are prepared to develop with the Islamic Republic, when it is ready, a road map in which both sides would take parallel steps leading to normal relations. Unfortunately, the Iranian Government has made clear that at this stage it is not ready to engage, insisting instead that the U.S. first take a number of unilateral steps.

Given Iran's reluctance to begin a bilateral dialogue, we have pursued other avenues that can serve to broaden our engagement with Iran. We have worked constructively with Iran in multilateral settings on issues of common concern, such as countering the spread of narcotics and the situation in Afghanistan. Last year, Iran's eradication of its poppy crop meant that Iran no longer met the criteria for inclusion on our list of major drug producers. Accordingly, we removed Iran from that list, and we fully support the UN Drug Control Program's plans to increase its cooperation with and activities in Iran. This is a case where positive Iranian actions have been met with a positive U.S. response. We also continue to work with Iran in the six-plus-two forum at the United Nations on Afghanistan, where the Islamic Republic has played a constructive role in the search for a peaceful solution to the civil strife in that war-torn country.

We have also noted with interest Iran's improving relations with the Arab world, particularly on the other side of the Persian Gulf. High level visits are now occurring between Tehran and most of the capitals of the Gulf Cooperation Council states. We welcome a relaxation of tension in this part of the world; at the same time, we remain closely in touch with our Arab friends in the region and share their cautious approach that is based on testing Iran's willingness to abandon destabilizing policies. In this regard, we remain concerned at Iran's threatening approach to the islands dispute with the UAE.

We have also supported greater contact between our two peoples, for we believe that such exchanges can increase mutual understanding and respect and can help overcome decades of mistrust. We have streamlined our visa policies and supported academic and athletic exchanges. We have hosted wrestling teams, newspaper editors, film directors and musicians, and numerous Iranian scholars. At the same time, we are pleased that Iran has opened its doors to increasing numbers of American visitors -- wrestling teams, scholars, graduate students, and museum officials.

Given the intense interest in U.S. sanctions policy with respect to Iran, it is important to recall the rationale for the sanctions as well as our reasons for some decisions we have made recently in this regard, in particular the adjustment to our economic sanctions policy which will now allow the export of certain foods and medicines to Iran and other sanctioned countries.

Within the context of a broad review of U.S. sanctions policy, President Clinton recently announced his decision to exempt commercial sales of food, medicines and medical equipment from future and current sanctions regimes where we have the authority to do so. This decision will enable the sale of certain U.S. items to Iran. It does not, however, conflict with our policy of applying economic pressure on the Iranian Government. Any benefit derived will accrue to the Iranian people and to American farmers and manufacturers. It is important to remember that U.S. sanctions policy seeks to influence the behavior of regimes, not deny their people basic humanitarian necessities. Our conclusions remain the same about Iran's objectionable policies. What has changed is our calculation of the impact on our overall policy objectives of including food and medicine in sanctions regimes. Sales of food, medicine and other human necessities do not enhance a nation's WMD capabilities or its ability to support international terrorism.

This adjustment of our sanctions policy does not provide for the automatic approval of agricultural and medical sales. Instead, it shifts the presumption in favor of such sales. We are now working with Treasury's Office of Foreign Assets Control, USDA, Commerce, and other relevant agencies to develop country-specific licensing criteria for Iran -- and for the other countries affected by the change -- based on the principle that the sanctioned government should not benefit from this adjustment to our sanctions policy. In general, however, we can say that all sales will have to be conducted at prevailing market prices and will be restricted to non-government entities or to governmental procurement bodies not affiliated with the coercive organs of the state. It is also a requirement that there be no U.S. government funding, financing or guarantees in support of the sales authorized by this changed policy.

Apart from that recent adjustment, our sanctions policy will remain in force vis-à-vis Iran. The reasons behind this policy of applying economic pressure remain the same today as they did when that policy was first invoked. U.S. sanctions are a response to Iranian Government practices that violate international norms and threaten our interests and those of our allies. Their intent is to deprive Iran of the resources to pursue those activities and to demonstrate to Iran's leaders that pursuing such policies comes at a price. In this regard, we will continue to oppose bilateral debt rescheduling, Paris Club debt treatment for Iran, and the extension of favorable credit terms by Iran's principal foreign creditors. We will also continue to oppose loans to Iran by the international financial institutions.

Some of these objectionable Iranian Government practices unfortunately have continued, although not to the same degree in all areas, under the present government. Iran remains on this year's State Department list of state supporters of terrorism. While Iran apparently conducted fewer anti-dissident assassinations abroad in 1998 than in 1997, Iran continued to support a variety of groups that use terrorism to pursue their goals. And despite Iranian public statements condemning certain terrorist acts or expressing sympathy for Kenyan and Tanzanian victims of the August 1998 bombings of

the U.S. embassies in Nairobi and Dar es Salaam, Iranian support for terrorism remains in place.

At the same time, Iran accurately claims it also is a victim of terrorism. In 1998 several high-ranking members of the Iranian Government were attacked and at least two were killed in attacks claimed by the terrorist group Mujahedin-e Khalq (MEK). More recently, that same group claimed responsibility for the assassination of Iran's deputy chief of staff. We condemn these acts as we condemn all acts of terrorism.

President Khatami has publicly denounced terrorism and condemned the killing of innocents, including Israelis; the Iranian government has also stated that Iran would accept a peace acceptable to the Palestinians. We assume that these statements are sincerely made, and it is therefore also reasonable for us to expect that the actions and policies of the Islamic Republic should reflect them. Unfortunately, so far this has not been the case. Iran was harshly critical of the Wye Agreement, and its Hezbollah proxy in Lebanon threatened Arafat's life. And President Khatami himself met with leaders of the Palestinian rejectionist groups when he visited Syria last month and apparently promised them more support.

We are also concerned at Iran's continued drive to develop weapons of mass destruction and the ballistic missiles necessary to deliver them. Clandestine efforts to procure nuclear, chemical and biological weapons continue despite Iran's adherence to relevant international nonproliferation conventions. In this regard, we are particularly concerned about Iran's nuclear drive. Last summer, Iran also tested a ballistic missile -- the Shehab III -- capable of delivering warheads 800 miles and reported to be close to producing a missile with an even greater range. These developments pose significant potential threats to U.S. forces and to our friends in the region.

Clearly, our concern about Iranian WMD and missile development must be considered in a regional context. We continue to support a Middle East free of all WMD. But the kind of proliferation we see in the region today -- be it in Iran, India, or Pakistan -- is leading exactly in the wrong direction. Proliferation on the eastern side of the Persian Gulf is, among other things, increasing nervousness on the other side of the Gulf and could drive other countries to seek their own weapons systems.

We have to act quickly to forestall this imminent arms race in ballistic missiles and WMD by working with Israel, our Arab allies, and Turkey to help boost their abilities to deal with their emerging threats. These responses include: strengthening active and passive defenses; enhancing deterrence; slowing down proliferation through relevant multilateral arms control regimes and other means; and encouraging moderation in the policies pursued by those regimes that are trying to acquire these systems. The threat of weapons of mass destruction is based on a mix of capability and intention; thus, it is imperative that we continue to work both on stemming proliferation and on encouraging more acceptable international behavior.

Iran's efforts to develop WMD and ballistic missiles, together with its other ongoing policies of concern, are the reason we oppose investment in Iran's petroleum sector, Iran's participation in the development and transport of Caspian resources (including pipelines across Iran), multilateral lending to Iran, and Iran's full integration in international economic fora. A change in the U.S. position on these issues will require Iran to bring its practices into line with international norms, or at least demonstrate a willingness to begin such a process. It was with this, and our larger interests in the Caspian in mind, that we recently denied the application from a U.S. company to engage in an oil swap arrangement with Iran.

For the moment, we know that our policy to pressure Iran economically is having an effect on Iran. We look forward to a time when greater economic interaction with Iran will be possible, but this depends on the Iranian Government's willingness to address practices that in our view continue to disqualify Iran from enjoying the full economic and commercial advantages that come with responsible membership in the international community.

Finally, we continue to observe with great interest internal developments in Iran. As we have often said, we fully respect Iran's sovereignty and the right of the Iranian people to choose their system of government as they see fit. That said, we will not shy away from expressing our support for values that we believe to be universal: human rights, rule of law, free markets, and democracy. In this regard, both the presidential election in 1997 and the recent municipal elections were remarkable for their openness and the level of participation of the Iranian people. Statements by President Khatami in support of human rights and the rule of law deserve acknowledgment and support. At the same time, we are concerned at the gap that often remains between words and deeds. For example, we find it hard to reconcile President Khatami's words with the announcement yesterday that 13 members of the Jewish communities of Shiraz and Isfahan, including Rabbis, would be charged with espionage. These arrests send a very disturbing signal. We call on the Government of Iran to ensure no harm comes to these individuals and to release them.

We continue to believe that nations living according to democratic and pluralistic values internally will also abide more fully and more naturally with internationally accepted norms of behavior in their foreign policies. This is a principle that underlines our approaches to both Iran and Iraq, as well as to other parts of the world.

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DEMOCRATIC CHIEF OF STAFF

February 4, 1999

Honorable Martin Indyk
Assistant Secretary of State for Near East Affairs
U.S. Department of State
2201 C Street N.W.
Washington, DC 20520

Dear Ambassador Indyk:

As you will recall, Congressional concern regarding the need to bring to justice those Palestinian terrorists who have murdered American citizens generated Rep. Salmon's trip to Israel and the Palestinian Autonomous Areas in July 1998. The case of Amjad Hinawi continues to be of specific concern.

In correspondence to Rep. Salmon dated February 25, 1998, Barbara Larkin, Assistant Secretary of State for Legislative Affairs, noted that "Amjad Hinawi was convicted by a Palestinian court on February 14, 1998, of being an accomplice in the attack [that killed David Boim]. He was sentenced to ten years in prison."

However, we continue to hear reports that Hinawi has not been incarcerated, but is, in fact, free in the Palestinian Autonomous Areas. Hinawi's name was included on a November 4, 1998, list issued by the government of Israel detailing 30 fugitives Israel has sought for transfer from the Palestinian Authority.

Accordingly, we would appreciate your clarifying and confirming Hinawi's incarceration status, as well as that of the others on that list. We would be extremely disturbed to learn if Hinawi and others like him have not been detained in prison by the Palestinian Authority. Granting terrorists safe haven and permitting them to remain free (even under "house arrest") is a tangible and serious threat to Israeli society and all law abiding individuals that cannot be tolerated.

As you may know, during Rep. Salmon's meetings with various Palestinian officials, they agreed, in the presence of Consul General John Herbst, to permit verification of the continued imprisonment of individuals sentenced in connection with the killings of U.S. citizens. This includes random inspections. We are therefore interested in learning which U.S. government official(s) has/have been charged with the responsibility of verification, and whether such verification, or attempted verification, has taken place regarding the incarceration of Palestinian terrorists charged with killing U.S. citizens, including Amjad Hinawi.

If verification visits have been conducted, we would like to receive full details of each visit, including where and when such visit(s) took place, the nature of the visit(s) (whether random or pre-arranged), and whether a report of the findings (or any cable traffic) was made to U.S., Israeli and/or Palestinian officials. If so, please enclose a copy of all pertinent documents with your response. If the U.S. government has employed other means to verify the confinement status of terrorists such as Hinawi, please include a description of the methods used and the outcome of such efforts. If such methods are classified, the information may be disclosed in a classified annex with your response.

We look forward to hearing from you at the earliest possible opportunity.

With best wishes,

Sincerely,

BENJAMIN A. GILMAN
Chairman
Committee on International Relations

MATT SALMON
Member
Committee on International Relations

United States Department of State

Washington, D.C. 20520

JUN 3 1999

Dear Mr. Chairman:

Thank you for your letter of February 4, cosigned by Congressman Salmon, concerning the status of Amjad Hinawi and other Palestinians suspected of involvement in terrorist attacks in which Americans were killed or injured. On February 14, 1998 a Palestinian Authority court convicted Hinawi in the killing of American citizen David Boim. He was sentenced to ten years in prison.

The Department of State is aware of allegations about possible releases or escapes from PA custody of individuals suspected of perpetrating terrorist acts that took American lives. We take these concerns very seriously and, in an effort to confirm that the suspects remain in custody, U.S. officials have conducted a series of visits to PA prisons. In the past several months our officials have made six visits to PA prisons to confirm the incarceration of Palestinians suspected of involvement in killing Americans. During these visits U.S. officials confirmed the custody of Hinawi, Abd al-Majid Dudin, Mohammad Abu Wardah, Nabil Hasan Salam Sharihi, Ibrahim Ghaneimat and Nassir Hindawi.

Regarding Amjad Hinawi, U.S. officials have visited him twice in prison to confirm his incarceration. On January 26 they visited Hinawi at the Palestinian Public Security Forces Prison in Jericho. The officials reported that his appearance and the condition of his living quarters were consistent with that of his nine cellmates, who seemed quite familiar with him and allowed him to speak on their behalf. Hinawi told the officials that he has served three years of a ten year sentence for the killing of David Boim. He told our officials that he has not been allowed to go outside the prison.

The Honorable
Benjamin A. Gilman, Chairman
Committee on International Relations,
U.S. House of Representatives.

A U.S. official spoke with Hinawi to assess whether he is able to leave the jail on his own. Based on their conversations with Hinawi and observations during the visit, U.S. officials reported no evidence that Hinawi has spent time out of jail.

In February 1998, before Hinawi's trial, U.S. officials visited him at the Palestinian Preventive Security compound in Jericho. During that visit Hinawi said that he had been in PA custody for the past 21 months. U.S. officials reported seeing nothing to contradict this claim during that visit.

The U.S. Government wants to see the perpetrators of terrorist attacks against Americans brought to justice, and, if found guilty, punished to the full extent of the law. We have been actively pressing for the arrest and prosecution of the suspects since the attacks mentioned in your letter occurred. We have raised these specific cases numerous times with the Israeli government and the Palestinian Authority and we will continue to do so.

We hope that this information proves useful. If you require additional information, or believe that we may be of further assistance in this or any other matter, please do not hesitate to contact us.

Sincerely,

Barbara Larkin

Barbara Larkin
Assistant Secretary
Legislative Affairs

House International Relations Committee
Hearing on Developments in the Middle East
June 8, 1999
Questions

Israel/Middle East Peace Process

1.) Public Law 104-45 of 1995 mandated that the United States embassy in Israel should be moved from Tel Aviv to Jerusalem. What is the status of the move and what steps are the administration taking to acknowledge the policy statements in the law?

2.) Assuming that the peace process is relaunched, what role will the United States play? What role do you think Prime Minister-elect Barak wants the United States to play? Does the Administration intend to be as active as it was in mediating the Wye accords or to revert to the less active role it played earlier?

3.) President Clinton has indicated that he is prepared to hold a summit meeting with Prime Minister Barak, Egyptian President Mubarak, Jordanian King Abdullah, and Palestinian Authority Chairman Arafat within the next six months. What plans have been made for such a White House summit meeting? What is the goal of such an event?

4.) Palestinian officials have made increasing reference to United Nations General Assembly Resolution 181 of 1947 which called for the creation of two small states for Jews and Palestinians out of the former Palestine Mandate. Under 181, Israel would have far less territory than before 1967. What is the relevance of 181? Why are the Palestinians now referring to it? How does the State Department view these Palestinian statements?

5.) Does the State Department expect Israel and Syria to continue to disagree about the 1996 understandings? If so, how can those differences be overcome? Prime Minister-elect Barak participated in the earlier negotiations with Syria. What effect might that have?

6.) Do you expect the Israeli-Syrian track and the Israeli-Palestinian tracks to proceed simultaneously or sequentially when the peace process resumes? If sequentially, which track will be given priority?

7.) What plans does the Administration have to revitalize the multilateral tracks? Are dates and venues being discussed?

8.) Does the Administration seek to hold a Middle East/North Africa Economic Summit in 1999? If so, where? Does the Administration want to see attendance by heads of state, or only at the level of foreign ministers?

9.) Some Israeli army commanders have said that Israeli forces need not be present in south Lebanon in order to prevent Hizbollah attacks against northern Israel. How do you expect the Barak government to handle the withdrawal issue? Under what circumstances could action on the

Israeli-Lebanese track precede the conclusion of Israeli-Syrian negotiations?

10.) Does Syria have the power to stop Hizbollah activity? Would Syria do so before negotiations on the Golan Heights are concluded? How do Syrian-Iranian relations complicate Syria's ability to control Hizbollah? Today, who cares more about Hizbollah acting against Israel in the south – Syria, or Iran?

11.) Does the Administration stand by former Secretary of State Christopher's 1993 statement that the United States might be willing to guarantee security arrangements in the context of a sound agreement on the Golan Heights?

12.) On March 2, 1999, the Treasury Department released a list of 11 countries that still require participation or cooperation with an international boycott within the meaning of Internal Revenue Code Section 999(b)(3). The countries on the list are: Bahrain, Iraq, Kuwait, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Syria, the United Arab Emirates, and the Republic of Yemen. IRC Section 999 requires taxpayers to file reports on their operations in any country that appears on this list and on requests to participate in boycotts. This section also punishes companies that comply with such boycotts by, among other things, denying foreign tax credits and limiting tax deferral. The IRC Section 999 penalties are in addition to those imposed by the Antiboycott Regulations included in part 769 of the Export Administration Regulations, 15 CFR parts 768-799 (1996). The reality reflected in this determination is inconsistent with the October 1, 1994 statement of the Cooperation Council of the Arab States of the Gulf ("GCC"), according to which the members of the GCC (Saudi Arabia, Bahrain, Kuwait, Oman, Qatar and the UAE) would no longer enforce the secondary and tertiary boycott of Israel. What was the Department's reaction to this report, and what has been its response? Has this issue been raised with the GCC countries in question, and if so, what was communicated, and at what level? If not, why not?

13.) What is the Department's response to the following statements regarding the US contribution to the Sinai MFO : Army Chief of Staff General Dennis Reimer's statement that "there's got to come a sunset clause on this thing sometime", and Deputy Secretary of Defense John Hamre's statement that the mission has been "largely obviated by political developments". Does the State Department agree with these defense-based assessments?

Iraq:

14.) Can you comment on U.S. acceptance of a U.N. resolution that permits international oil companies to develop Iraqi oil fields? How might doing so affect the world price of oil and U.S. domestic oil producers? Would U.S. companies be allowed to invest as well?

15.) Has the Administration abandoned the idea of reconstituting UNSCOM as it existed before Operation Desert Fox, as press reports seem to suggest? If so, what type of reconstituted weapons inspection regime is the United States willing to accept?

16.) The Administration has said recently that Saddam Hussein can never be reintegrated into the international community of nations. What is the Administration doing to achieve Saddam's

overthrow? What portion of appropriated funds for this purpose have been spent on this effort thus far? How do our allies in the region view the role of the Iraqi National Congress?

17.) Is the oil-for-food program succeeding in alleviating humanitarian suffering in Iraq? What is being done to improve the effectiveness of the program?

18.) Are the two principal Kurdish factions in Iraq making progress in implementing the U.S.-brokered agreement they signed in September 1998?

19.) Do the Kurdish leaders still plan to hold elections sometime in 1999? Will the U.S. Government be involved in planning or monitoring the elections?

Iran:

20.) In a recent speech, you said that the policy of "dual containment" of Iran and Iraq was still the operative principle of U.S. Persian Gulf policy. How do you reconcile that assertion with U.S. easing of sanctions on Iran and calls for an official dialogue with Iran?

21.) Regarding the recent decision to evaluate food and medicine exports to Iran on a case-by-case basis, is there consideration to granting Iran U.S. government financial guarantees for such sales? Do you expect any U.S. sales to be consummated without such guarantees?

22.) How sincere are Khatemi's efforts to ease Iran's international isolation? Why did Saudi Arabia agree to receive Khatemi in May 1999 and what was agreed to during the visit?

23.) The State Department no longer considers Iran the most dangerous state sponsor of terrorism. However, when Khatemi visited Syria in May, he met with Hizbollah's leader and said Iran would not abandon its support for radical groups such as Hamas and Palestinian Islamic Jihad. What is your evidence that Iran has reduced its support for terrorism?

24.) Some believe the Administration will eventually ease its objections to energy routes crossing Iran. Is such an easing under consideration, and under what circumstances might there be U.S. a policy shift on that issue?

25.) What is the United States doing to end foreign assistance to Iran's WMD programs? Has the Administration withheld any assistance to the Russian government because of that assistance, as called for in the two most recent foreign aid appropriations laws? If not, why not?

Egypt

26.) What is the Department's position on the adoption of the new NGO law in Egypt? Did the US express its opinions about this measure to the Egyptian government? At what level and in what manner has the United States Government approached the Egyptian Government concerning the NGO law? What was their response?

27.) Is the Department taking any steps to seek the modification of the law?

28.) Is there any evidence that NGO's operating in Egypt have been engaged in attempts to overthrow the Egyptian Government? Have NGO's facilitated the attempts of others to overthrow the regime?

29.) What international organizations have protested the passage of the Egyptian NGO law? What were the bases of their complaints against the law?

30.) How has the Government of Egypt justified passing the law? Did the law originate with a member of the Peoples' Assembly, or was it introduced at the request of the President and cabinet?

31.) Does the Egyptian Government restrict NGO freedom of speech and assembly now? Are freedom of speech and assembly curtailed for the general population of Egypt?

32.) How does the new law affect foreign NGO's operating in Egypt? Will the NGO law interfere with Christian groups cooperating with Egypt's Coptic Christian minority?

33.) What is the status of Egypt's Coptic community? Are they discriminated against in obtaining jobs?

34.) Although the authority to allow the repair of churches has reportedly been designated to the governors, the authority to permit the construction of new churches remains with the President. Does the US believe that this authority should also be delegated to the governors?
Does the US believe that removing the religious designation from identity cards would be an equalizing factor that should be adopted?

Libya

35.) Some observers have speculated that the evidence linking the two Libyan suspects with the Pan Am 103 bomb may not meet the rigid standards of evidence demanded in Scottish courts. What are the chances that the two Libyans could be acquitted or that the three Scottish judges will decide that the evidence leaves the case not proven?

36.) Would convictions directly link the bombing of Pan Am 103 to the Libyan Government?

37.) Will the United States try to keep the United Nations sanctions in place when the Secretary-General's report is filed in August? Would the United States veto a resolution that ended the sanctions against Libya?

38.) Will the United States' sanctions against Libya remain in place regardless of the outcome of the trial or the actions of the United Nations?

39.) Do you view Libyan involvement in the Congo civil war as a sincere effort to seek peace or as

another example of Libyan meddling in other nations' affairs?

40.) What was the outcome of US meetings with Libyan representatives recently to discuss bilateral relations? Were there any direct face-to-face meetings between U.S. and Libyan officials in the negotiations leading up to the agreement for the trial in the Hague?

Syria

41.) How do you view the recent rapprochement between Jordan and Syria? Do you think Syria is sincere in its support for King Abdullah's regime? What are Syria's motives in pursuing better relations with Jordan?

42.) Please comment on the internal political scene in Syria. What would be the implications for U.S. policy if President Assad should pass from the scene? Do you believe the President's son Bashar would be acceptable to the military establishment and Baa'th Party leadership as a successor to President Assad? Who are some other potential successors?

43.) The Clinton Administration removed Syria from the list of drug producing countries in late 1997, but some Members of Congress believe there is evidence that Syria remains a trans-shipment point for narcotics. Do you have information to confirm or deny these reports? Why did the Administration apply sanctions only to Russian companies, and not the Russian Government, for providing antitank weapons to Syria?

44.) Is the Administration concerned about the growing rapport between Syria and Iraq? Do you believe recent press reports that Syria is assisting in the illegal export of Iraqi oil? How much Iraqi oil, if any, is being transshipped through Syria? Would the Administration support reopening of the Iraq-Syria pipeline for authorized shipments of Iraqi oil under the U.N.-approved oil-for-food program?

Lebanon

45.) How do you assess President Lahoud's performance so far? Has he made discernable progress in creating a cleaner and more merit based government? To what extent has he had a free hand in governmental reforms and domestic policies without interference by Syria?

46.) How much is Lebanon spending on debt service? Do you think the present economic team will succeed in raising revenue and narrowing the deficit? How much opposition will the government encounter in pushing privatization, including the sale of public utilities?

47.) What has been the effect of the withdrawal of the pro-Israeli Army of South Lebanon from the Jezzine enclave in southern Lebanon? What are the chances that Lebanon will deploy its regular armed forces into the areas vacated by the ASL? Is the Administration considering additional military assistance to Lebanon, including lethal weapons, to help bolster Lebanese Armed Forces capability to maintain order in the south?

48.) How would you currently assess human rights violations in Lebanon? Has the ascendancy of President Lahoud changed the situation, or not at all? How much of these violations can be attributed to Syrian organs operating in Lebanon?

Jordan

49.) What reactions have you had from President Clinton's approaches to Jordan's international creditors to grant debt relief to Jordan? Congress appropriated subsidies to forgive Jordan's U.S. debt of $702.3 million; however, a U.S. Treasury Department report indicates that Jordan still had some $340 million in outstanding loans and loan guarantees as of late 1997. Were these amounts not included in the debt forgiveness package? If not, why not?

50.) In fiscal years 1997 and 1998, Israel and Egypt agreed to divert approximately $50 million from their respective annual aid totals to supplement Jordan's program under the so-called Middle East Peace and Stability Fund. Were these amounts diverted to Jordan in FY1999?

51.) Do you see any likelihood that Saudi Arabia would sell oil to Jordan at concessional prices, thus reducing or eliminating Jordanian dependence on Iraqi oil?

Morocco

52.) What was the Moroccan government's reaction to the outcome of the Israeli national election? What role do you see Morocco playing in a renewed Arab-Israeli peace process?

53.) How do you assess Prime Minister Youssoufi's tenure in office? What is his relationship with the King?

54.) How strong are Moroccan Islamist groups? Do they pose a threat to the regime? How does the strength of Ben Kirane, who has chosen to participate in the political system, compare to that of Sheikh Yassine, who has not?

55.) How active is Crown Prince Sidi Mohammed in domestic politics? What is his role? What is the outlook for a peaceful succession in Morocco?

56.) What results does the Administration expect from Undersecretary of State Eizenstat's April 30 meeting with North African officials?

57.) What is the status of preparations for the U.N.-supervised referendum in the Western Sahara? Does the Administration believe that Morocco has been responsible for the delays? If so, why has Morocco engaged in such tactics and is it likely to allow a referendum to go forward if it is not assured of victory? Would a loss in the referendum undermine Morocco's stability?

Tunisia

58.) How do you assess the constitutional measures to allow the opposition to compete in the

presidential election and to reserve 20% of parliament for opposition parties? What additional democratization measures would the Administration like to see in Tunisia?

59.) Which are the major opposition parties? Would they be likely to obtain 20% of the seats in parliament if the seats were not reserved for them?

60.) What amendments to the penal code has President Ben Ali proposed? To what extent would their passage and implementation serve to improve the human rights situation in Tunisia? What additional measures are needed?

61.) How does the Administration view the possible revitalization of the Arab Maghreb Union?

62.) Has Tunisia taken steps to unfreeze its relations with Israel? What role might Tunisia play in a renewed Arab-Israeli peace process?

Persian Gulf States

63.) Defense publications indicate the Administration is considering providing the Army Tactical Missile System (ATACM) to Bahrain. Such a sale would represent the first transfer of that weapon into the Middle East. What are the pros and cons of transferring the ATACM to Bahrain? With relations between Iran and the Gulf states improving, is there any possibility that Iranian defense officials could gain access to the weapon? Could the transfer of the weapon constitute a violation of the Missile Technology Control Regime?

64.) Has the succession in Bahrain been smooth since the Emir's death recently? Do you believe that Bahrain's policies will change with the new Emir? Will the succession affect the human rights situation in Bahrain and relations between Shia and Sunnis?

65.) Does the Administration plan to keep an aircraft carrier in the Persian Gulf region on a permanent basis?

66.) To what extent has the commitment of U.S. forces to the Balkan conflict degraded U.S. military assets and capabilities in the Gulf region?

67.) The Gulf states appear to be increasingly hesitant to back strong U.S.-led containment efforts of Iraq. What is your assessment of Gulf support for U.S. policy? If it is weakening, to what do you attribute that trend?

68.) To what extent is the United States encouraging democratization in the Gulf? Could political opening potentially strengthen the hand of radical Islamic forces in the Gulf states?

69.) What is the status of the F-16 sale to the United Arab Emirates? Have any systems been promised to the UAE that could potentially erode Israel's qualitative edge in the region? What is the United States doing to dissuade the UAE from allowing smuggled Iraqi oil products to offload there?

70.) What has been the Gulf state response to the Defense Department's efforts to forge a coordinated effort to deploy a theater missile defense system in the Gulf?

71.) What is the extent of Osama bin Ladin's following in the Gulf region? Do any of his followers receive safe haven in the Gulf? What is the United States doing to prevent private Gulf donations to bin Ladin or other radical Islamic movements, such as Hamas?

72.) With the election of Ehud Barak as Prime Minister of Israel, do you expect renewed momentum toward better relations with Israel on the part of the Gulf states? To what extent can greater Gulf support move the peace process forward? What steps would you recommend?

73.) Will the United States, as Oman wants, fund the repair and upgrade of jointly-used military facilities in the context of renewing the U.S.-Oman access agreements next year?

74.) What is your assessment of Gulf commitment to structural economic reform? Does Saudi Arabia meet the criteria to join the World Trade Organization, in the U.S. view?

75.) Do you believe that Kuwait and Saudi Arabia will, as they have indicated, invite American firms in to invest in upstream oil and/or gas development? What effect would that have on U.S. oil prices?

Yemen

76.) Is the Administration considering ways to extend the life of existing economic aid programs for Yemen, which are currently operating on residual funds in the pipeline? If so, what are they?

77.) What does the US believe are the areas of most need in Yemen?

78.) Will the Administration include a specific funding request for Yemen when it submits its next budget?

79.) What is the status of Yemen's request that the Peace Corps return to Yemen?

80.) Could you comment on press reports that Yemen has offered military facilities to the United States on the island of Socotra, a Yemeni possession in the Arabian Sea? If true, would the Yemeni Government face significant domestic opposition to such a step?

81.) What role, if any, did the Administration play in Yemen's decision to host the conference on emerging democracies scheduled to be held in Yemen in late June? We understand that the U.S. Government is among those providing support to the conference. What is the nature and extent of U.S. support?

82.) Do you think the conference will have any significant effect on Yemen's commitment to democratic procedures at home, including the presidential elections later this year?

83.) Has there been any official reaction by the Administration to President Salih's call on Yemeni citizens to give up their national pastime of chewing qat? Has the Administration considered any measures to help Yemeni farmers find a lucrative alternative to qat cultivation?

84.) Kidnaping of western tourists seems to have diminished in recent months. Do you attribute this to improved security measures by the Yemeni Government?

Answers to Question for the Record submitted to Martin S. Indyk
House International Relations Committee
June 8, 1999

Question #3:

President Clinton has indicated that he is prepared to hold a summit meeting with Prime Minister Barak, Egyptian President Mubarak, Jordanian King Abdullah, and Palestinian Authority Chairman Arafat within the next six months. What plans have been made for such a White House summit meeting? What is the goal of such an event?

Answer:

In an April 26 White House press statement, the Administration indicated that the United States was prepared, "with the consent of the parties, to bring them together within six months to review the status of their efforts and to facilitate reaching an agreement" on permanent status. The statement was issued as the May 4 target date for conclusion of permanent status negotiations under the Israeli-Palestinian Declaration of Principles approached, and was designed to reassure the parties that the U.S. remains committed to taking whatever steps are necessary to facilitate the peace process.

Since that time, there has been significant progress in the peace process, including the signing on September 4 of the Sharm el-Sheikh Memorandum. The memorandum includes a commitment by the Israelis and Palestinians to make a determined effort to conclude a framework agreement on permanent status by February 13, 2000 and to complete a final agreement by September 13, 2000. Implementation of the memorandum has proceeded on schedule, including the resumption of permanent status talks on September 13, 1999.

The U.S. remains committed to taking whatever actions are necessary to facilitate the peace process. This includes bringing the parties together, with their consent, should this be appropriate.
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The U.S. remains committed to taking whatever actions are necessary to facilitate the peace process. This includes bringing the parties together, with their consent, should this be appropriate.

Question #9:

Some Israeli army commanders have said that Israeli forces need not be present in south Lebanon in order to prevent Hizballah attacks against northern Israel. How do you expect the Barak government to handle the withdrawal issue? Under what circumstances could action on the Israeli-Lebanese track precede the conclusion of Israeli-Syrian negotiations?

Answer:

Prime Minister Barak has made it clear on several occasions that he intends to withdraw Israeli forces from Lebanon by the middle of next year.

The basic guidelines of the Barak government address this issue: "The Government will bring the IDF [Israel Defense Forces] out of Lebanon, while guaranteeing the welfare and security of residents of the north, and aspiring to conclude a peace treaty with Lebanon." We are actively working to advance all tracks of the peace process. Beyond that, I would not want to speculate on hypothetical circumstances or make predictions.

Question #16:

The Administration has said recently that Saddam Hussein can never be reintegrated into the international community of nations. What is the Administration doing to achieve Saddam's overthrow? What portion of appropriated funds for this purpose have been spent on this effort thus far? How do our allies in the region view the role of the Iraqi National Congress?

Answer:

President Clinton announced in November that the United States would work with the Iraqi people toward a government in Iraq which is prepared to live in peace with its neighbors and respect the rights of its people. We are committed to supporting the Iraqi people in bringing this about while adhering to two important principles: one, we will uphold the territorial integrity of Iraq; and two, we will not seek to impose from the outside a particular government or leaders on the people of Iraq. If it is to be successful, change must come from within, from the Iraqis themselves.

Congress has provided the Administration with a number of important tools to support Iraqis who are working toward a better future for Iraq. More than $7 million of the $8 million earmarked in existing Economic Support Funds has been obligated or is pending. We are using these funds to strengthen opposition political unity, to support the Iraq war crimes initiative, to support humanitarian programs and the development of civil society, and for activities inside Iraq. We also have stepped up broadcasting hours for Radio Free Iraq; which operates independently and broadcasts daily in Arabic uncensored news and information to the Iraqi people. In addition, we recently announced our intention to use up to $5 million of the $97 million in Defense Department drawdown and training authorized in the Iraq Liberation Act for the provision of non-lethal supplies and training to the Iraqi National Congress.

Special Coordinator for Transition in Iraq, Francis Ricciardone has had considerable success in helping disp arate opposition groups work together and elect a new interim leadership that last week announced an Iraqi opposition conference scheduled for late October, which will have as broad participation as possible. In addition, a group of 20 Iraqi oppositionists, the Iraqi People's Delegation, is in New York for the UN General Assembly. The delegation met with Secretary Albright and has met with, or will be meeting with, over 20 missions, including more than half of the UN Security Council members to speak as a free and authoritative voice of the Iraqi people.

Our allies in the region all share and support the Iraqi people's longing for a change of regime in Baghdad, though they have strong views about how we can help the Iraqi people reach this goal. They are generally highly skeptical about the efficacy of the INC promoting a change of regime.

Question #17:

Is the oil-for-food program succeeding in alleviating humanitarian suffering in Iraq? What is being done to improve the effectiveness of the program?

Answer:

Yes. The oil-for-food program, the largest humanitarian effort in UN history, is ensuring that the basic needs of the Iraqi people are met while denying the Government of Iraq access to proceeds from oil sales.

Since the first deliveries of food and medicine in March 1997, almost $4 billion worth of food and $700 million in medicine and medical supplies have been delivered to Iraq, all funded by Iraqi oil sales. The food ration has increased from 1275 calories to over 2000 calories per day. In northern Iraq, where the United Nations administers the oil-for-food program, UNICEF reports that child mortality rates have dropped to below pre-Gulf War levels. In addition, more than $500 million in other humanitarian supplies, including water, sanitation, electrical, educational, and agricultural equipment have been delivered.

We continue to work in the Security Council to make additional improvements to the program, and to minimize Saddam Hussein's ability to manipulate the program to the detriment of the Iraqi people.

The Security Council is currently considering a British-Dutch draft resolution which would streamline the UN contract-approval process and have the United Nations take a greater role in ensuring the equitable distribution of humanitarian supplies. Such a step could allow the south and center of Iraq realize the same gains from oil-for-food as have been achieved in northern Iraq.

Question #18:

Are the two principal Kurdish factions in Iraq making progress in implementing the U.S.-brokered agreement they signed in September 1998?

Answer:

The Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK) welcomed the September 17, 1999, one year anniversary of the US-brokered Washington Agreement with a joint statement reaffirming their commitment to the terms of that agreement. The parties remain engaged with one another and are actively negotiating the implementation of the accord. Both are committed to peaceful efforts to bridge their differences. Tension remains low at the ceasefire line and the populace is optimistic about the direction of KDP-PUK negotiations. The parties have ceased negative media reports on one another and actively cooperate on many fronts. For example, the parties have created a joint UNSCR 986 committee to maintain coordinated strategy in addressing issues related to the UN Oil-for-Food program. Similarly, the KDP and PUK consult and coordinate on broader matters relating to the Iraqi opposition movement. In talks at the State Department in late-September, senior leaders of both parties confirmed they had agreed to form a joint committee to better convey their common pro-democracy/anti-regime message to the world. They are still seeking ways to resolve differences over key issues such as revenue sharing, the pace and scope of normalization, creation of a unified administration, and the conduct of new elections.

Question #22:

How sincere are Khatemi's efforts to ease Iran's international isolation? Why did Saudi Arabia agree to receive Khatemi in May 1999 and what was agreed to during the visit?

Answer:

President Khatemi has stated his desire to ease Iran's international isolation. He has had some success in this effort, particularly in the Gulf and in Europe. Saudi Arabia has pursued a cautious rapprochement with Iran. To our knowledge this has been limited to diplomatic contacts and trade cooperation.

Question #24:

Some believe the Administration will eventually ease its objections to energy routes crossing Iran. Is such an easing under consideration, and under what circumstances might there be a U.S. policy shift on that issue?

Answer:

The United States remains strongly opposed to the construction of pipelines across Iran for the transport of Caspian energy resources. We continue to favor and work towards the development of an east-west energy transport corridor for the export of Caspian energy resources. Such a corridor would include a main export pipeline for the transport of crude oil from Baku, Azerbaijan to Ceyhan, Turkey and a trans-Caspian pipeline to transport natural gas from Turkmenistan to Turkey that does not transit Iran. There is no consideration of a change in that policy.

Question #26:

What is the Department's position on the adoption of a new NGO law in Egypt? Did the US express its opinions about this measure to the Egyptian Government? At what level and in what manner has the United States Government approached the Egyptian Government concerning the NGO law? What was their response?

Answer:

Our Embassy in Cairo has been following the new NGO law since its inception as a bill in 1997. The Department's spokesman, James Rubin, expressed our disappointment with the new NGO law following its approval last May. The day after the Peoples' Assembly passed the law our Ambassador met with the Prime Minister and raised U.S. concerns about the law. I also discussed the subject with senior Egyptian Government officials during President Mubarak's visit to Washington this summer.

In response, the government of Egypt told us our concerns about registration, permissible activities, and foreign financing would be addressed through the implementation of the law. The government provided us with specific assurances that human rights groups will be permitted to operate.

Question #27:

Is the Department taking any steps to seek the modification of the law?

Answer:

We have made our views known to the government of Egypt. It is our hope that our consultations will positive ly affect the drafting of the law's implementing regulations and its consequent application. We will continue to closely monitor the situation.

Question #28:

Is there any evidence that NGOs in Egypt have been engaged in attempts to overthrow the Egyptian Government? Have NGOs facilitated the attempts of others to overthrow the regime?

Answer:

Known terrorist groups such as the Egyptian Islamic Jihad and Islamic Group may have developed support structures that may meet the definition of NGOs in the context of the Egyptian law or U.S. definitions. However, we are unaware of any current reports of NGO involvement to overthrow the Government.

The Government of Egypt has legitimate concerns about the transfer of money from abroad to terrorist groups operating in Egypt. The Government seeks to ensure that NGOs and other legitimate institutions are not exploited for such purposes.

Question #29:
What international organizations have protested the passage of the NGO law? What were the bases of their complaints about the law?

Answer:

These groups can better characterize their own specific positions. Amnesty International, Human Rights Watch, the Lawyers' Committee for Human Rights, and other organizations have expressed concern that the law fails to fully

protect the freedom of association, and urged the Government to revise the law in accordance with relevant international conventions.

Since ratification, however, the Egyptian Government has offered public and private assurances that no human rights groups in Egypt will be shut down, and that their work will not be hindered. The new law provides a legal framework within which international human rights groups can work in Egypt. Before, they were working outside the law and with no guarantees of legal protection for their organizations.

No international NGOs have been shut down in Egypt, and some have indicated that they intend to comply with the law. Again these groups are better situated to clarify their own positions on the issue.

Question #30:

How has the Government of Egypt justified passing the law? Did the law originate with a member of the Peoples' Assembly, or was it introduced at the request of the President and his cabinet?

Answer:

As a result of the 1994 International Conference on Population and Development hosted by Cairo, Government and grassroots support for repealing Egypt's outdated and intrusive NGO law increased. In July 1997, President Mubarak appointed career diplomat Mervat al-Tellawy as Minister of Social Affairs. Minister Tellawy launched an unprecedented effort to solicit and incorporate public input on a new law for NGOs.

We understand that the draft submitted by the Minister was modified first by other members of the Cabinet and then by members of the People's Assembly.

In general, the Egyptian Government and the Egyptian people acknowledge the value of NGOs and the need to improve the legal framework that has restricted NGOs from fully participating in the country's development.

Question #31:

Does the Egyptian Government restrict NGO freedom of speech and assembly now? Are freedom of speech and assembly curtailed for the general population of Egypt?

Answer:

The Egyptian Constitution provides for freedom of speech, but there are some limitations on this right. Citizens openly speak their views on a wide range of political and social issues, including vigorous criticism of the Government.

As outlined in the State Department's annual human rights report, the Government continues to maintain substantial restrictions on freedom of assembly. Under a 1923 law, citizens must obtain approval from the Ministry of Interior before holding public meetings, rallies, and protest marches.

NGOs are normally able to hold meetings. Even though they have been operating with no legal protections, the Egyptian Government has generally allowed human rights NGOs to operate without interference. The annual human rights report contains additional details.

Question #32:

How does the new law affect foreign NGOs operating in Egypt? Will the NGO law interfere with Christian groups cooperating with Egypt's Coptic Christian minority?

Answer:

The Minister of Social Affairs, whose office directed the drafting of the legislation, and who is overseeing the implementing regulations, has promised donors and foreign Government officials both publicly and privately that Egypt will welcome foreign donations.

The new law will not interfere with Egyptian Christian NGOs. The Egyptian Government recognizes the role these organizations play in development and education.

We have received assurances from the Egyptian Government that international donors will continue to be able to contribute to charitable causes and contribute to the welfare of all of Egypt's 65 million inhabitants, including the indigenous Christian community.

There is no reason to believe that the new law will affect cooperation between Christian organizations in Egypt and the United States.

Question #33:

What is the status of Egypt's Coptic community? Are they discriminated against in obtaining jobs?

Answer:

The Egyptian Constitution provides for freedom of religion. For the most part, the 1900 year-old Christian community worships without harassment. No one in Egypt is in prison because of his or her faith, and the Egyptian Government does not engage in religious persecution.

Despite constitutional guarantees of equal public duties and rights, there is some governmental and societal discrimination.

Christians and Muslims share a common history and national identity. They also share the same ethnicity, race, culture, and language. Most citizens agree that more needs to be done to eliminate discrimination, but argue that development of the economy, polity, and society is the most effective and enduring way to abolish prejudice.

Official relations between Christian and Muslim religious figures are amicable. Religious leaders have come together to define the problems of the Christian community and propose solutions. The Government has begun to address some of these concerns. We have seen the beginning of a phase-out of controls governing church construction. We also expect an increase in the number Christians appointed by the Government to official positions.

Most Egyptians, both Muslim and Christian, believe that they should work out for themselves the issues at stake, and are highly sensitive to what they perceive as foreign interference.

More detailed information on societal attitudes, Government response, and U.S. policy can be found in the International Religious Freedom report that the Department submitted to Congress September 9.

Question #37:

Now that Libya has handed the two suspects in the Lockerbie bombing over for trial, is the U.S. going to support permanent lifting of UN sanctions against Libya?

Answer:

According to UNSC Resolutions 731, 748, 883 and 1192, Libya must comply with additional requirements before UN sanctions can be permanently lifted. These are: payment of appropriate compensation; Libyan acceptance of responsibility for the actions of its officials; renunciation of and an end to support for terrorism; and cooperation

with the prosecution and the trial. We believe Libya can and should comply with these requirements. We have no hidden agenda, but we believe compliance must be demonstrated through actions.

The Security Council Presidential Statement of July 2, which our delegation worked to broker, represented the international community's reaffirmation that the UNSCR requirements must still be satisfied for permanent lifting. Along with other UNSC members, we will address the question of lifting sanctions in accordance with the relevant UNSC Resolutions. Permanent lifting of the sanctions would require action by the Security Council. Given the requirement to cooperate with the trial, it is unlikely, but not impossible, that we will support permanent lifting of sanctions until the trial is well underway.

Question #38:

What does the surrender of the suspects mean for U.S. unilateral sanctions? What are the prospects and or the timetable for their lifting?

Answer:

The surrender of the suspects was a welcome indication that Libya may be willing to comply with UNSC Resolutions and take the necessary steps to return to the international community. However, it is only the first step.

We have remaining concerns about certain Libyan policies, particularly Libya's historical support for terrorism, that need to be addressed before we will modify US unilateral sanctions. Additionally, Libya should change its traditional opposition to the Middle East Peace Process and exercise its influence in Africa in a constructive manner.

Question #36:

What if the trail of evidence brought forward in the trial of the Lockerbie suspects leads to Muamar Qadhafi? Is the U.S. prepared to bring him to justice?

Answer:

I cannot comment specifically on matters related to the trial while the matter is before the Scottish court. With the suspects' surrender in April, we have moved from a political process to Scottish criminal proceedings, and just as with U.S. criminal proceedings, further comment would be inappropriate. I can say this, however. While the trial is of the two charged individuals and not intended to undermine the Qadhafi government, we have said repeatedly that we will follow any evidence developed over the course of the trial wherever it leads.

Question #40:

Does the removal of sanctions on food and medicine mean the U.S. is prepared to trade with Libya? The Europeans and others are lining up to trade with Qadhafi, why not the U.S.?

Answer:

We announced in April a formal change in overall U.S. economic sanctions policy to reflect that commercial sales of agricultural commodities and products, medicine, and medical equipment should not be restricted or prohibited as part of new unilateral economic sanctions regimes except under extraordinary circumstances. Current licensing policy has been modified to permit, subject to a case-by-case review, proposals for commercial sales of agricultural commodities and products, medicine, and medical equipment to Iran, Sudan, Libya, Iraq, North Korea, and Cuba. This initiative is part of a rationalization of overall economic sanctions policy. It was not directed at Libya or any other specific country. It does not respond to specific actions by Libya or any other country.

U.S. sanctions imposed in 1986 in response to Libya's terrorist activities remain in effect. They include: the blocking of all Government of Libya property and interests in property that are subject to U.S. jurisdiction; a prohibition of virtually all imports from Libya and exports to Libya, except for certain agricultural and medical items; and a prohibition on U.S. persons engaging in transactions related to travel to Libya. Libya is also subject to a broad range of trade, assistance and other prohibitions by virtue of its designation as a state sponsor of terrorism.

Question:

What has happened with the Iran/Lybia Sanctions Act sanctions now that UN sanctions against Libya have been suspended?

Answer:

ILSA's provisions involving investment in Libya remain fully in effect until a Presidential determination and certification to Congress that Libya has met the requirements of all the relevant UNSC Resolutions.

Since the enactment of ILSA, we have kept a close eye on participation by international firms in oil and gas projects in Libya. We have made clear on numerous occasions, both to governments and companies, our opposition to petroleum investment in Libya. We will continue to follow developments in this sector closely.

Question #41:

How do you view the recent rapprochement between Jordan and Syria? Do you think Syria is sincere in its support for King Abdullah's regime? What are Syria's motives in pursuing better relations with Jordan?

Answer:

President Asad's unexpected participation in King Hussein's funeral in February provided an opening to end years of antagonistic and tense relations between Syria and Jordan. Subsequently, King Abdullah has met with Asad as well as with Asad's son, Bashar. The two nations have since concluded agreements to enhance economic and commercial cooperation and have agreed to a water-sharing agreement that helped Jordan weather a crippling drought. In a welcome development, Syrian officials and press have ceased criticism of Jordan's peace treaty with Israel, and a number of Jordanians imprisoned in Syria were released as a result of a general amnesty declared by Asad in July.

Question #47:

What has been the effect of the withdrawal of the pro-Israeli South Lebanon Army (SLA) from the Jezzine enclave in southern Lebanon? What are the chances that Lebanon will deploy its regular armed forces into the areas vacated by the SLA? Is the administration considering additional military assistance to Lebanon, including lethal weapons, to help bolster Lebanese Armed Forces capability to maintain order in the South?

Answer:

The SLA completed its withdrawal from Jezzine on June 3. The area has been largely quiet since then. The Lebanese Armed Forces (LAF) have deployed in the enclave in only a minimal capacity. On July 22, the military tribunal in Beirut began hearing the cases of 220 SLA soldiers who had turned themselves in to the military authorities following the withdrawal. Sentences for the SLA members have so far ranged from a few acquittals to three years in prison. Lebanese President Lahoud ordered the release of 16 former SLA members prior to the opening of the trial. The International Committee of the Red Cross (ICRC) is following the trials (which may continue for several months) and monitoring the welfare of the detainees.

The Lebanese government has said its regular armed forces are prepared to occupy the south but that regional political circumstances do not yet permit this. The U.S. believes the LAF must be prepared to assume a security role when foreign troops withdraw. Through the provision of non-lethal military assistance, the Administration seeks to promote the LAF's development as a national, non-sectarian, professional force capable of restoring government control and enhancing security and stability throughout Lebanon. The Administration is not considering additional military assistance to Lebanon at this time.

Question #48:

How would you currently assess human rights violations in Lebanon? Has the ascendancy of President Lahoud changed the situation, or not at all? How much of these violations can be attributed to Syrian organs operating in Lebanon?

Answer:

The human rights situation in Lebanon is poor. Government abuses include arbitrary arrest, infringement on citizens' privacy rights, and restrictions on freedom of movement, the press, and assembly. The central government does not exercise authority in the Israeli-controlled zone in south Lebanon, nor can it fully prosecute human rights abuses that occur there. The South Lebanon Army maintains a separate and arbitrary system of justice in the Israeli-controlled zone.

The human rights situation has not changed substantially under President Lahoud, though he has publicly stated his commitment to safeguarding press freedom. Nevertheless, Lebanese human rights NGOs are reportedly gaining strength, with a particular focus on child abuse. Syria exercises strong influence over Lebanese politics and decision-making. Syrian security forces are known to hold Lebanese (and other) nationals without charge, often without public accounting. Many abuses, however, take place without Syrian involvement.

Question #50:

In fiscal years 1997 and 1998, Israel and Egypt agreed to divert approximately $50 million from their respective annual aid totals to supplement Jordan's program under the so-called Middle East Peace and Stability Fund. Were these amounts diverted to Jordan in FY1999?

Answer:

The funds were not diverted from Israel and Egypt in FY 99. Rather, Egypt and Israel agreed that support for Jordan was vitally important and both countries fully supported $150 million of ESF for Jordan.

Question 52:

What was the Moroccan government's reaction to the outcome of the Israeli national election? What role do you see Morocco playing in a renewed Arab-Israeli peace process?

Answer:

Morocco welcomed the results of the most recent Israeli elections, and continues to enjoy one of the most robust relationships with Israel in the Arab world. This was particularly evidenced by the size and seniority of the Israeli delegation to the funeral of King Hassan II in July, which included the Israeli President, Prime Minister, and Foreign Minister. The third-country contacts the new King arranged for the Israeli delegation show that Morocco will continue to play an active and positive role in the Middle East Peace Process. King Mohammed's hereditary credentials as a direct descendant of the prophet Mohammed ensure that, even as young monarch, he has the stature to carry on his nation's unique moderating role in the peace process.

Question #53:

How do you assess Prime Minister Youssoufi's tenure in office? What is his relationship with the King?

Answer:

The opposition government of Prime Minister Youssoufi remains one of the most promising and closely watched democratic experiments in the Arab world. On a wide range of issues of fundamental importance to both Morocco and the United States, his outlook is both progressive and pragmatic.

The eighteen months he has been in office have been welcomed by civil society in Morocco. NGO's, the press, and other such elements have been invigorated. However, much of Yousouffi's agenda remains to be fully implemented.

The Government of Morocco continues to labor under the heavy burden of a bloated government payroll (50% of the budget to salaries), official debt (33% of the budget for debt service), and high unemployment, particularly among young university graduates.

King Mohammed is a strong supporter of the Prime Minister, who has become one of his most trusted advisors. We hope that, working together, they will be able to further advance their shared agenda.

Question #55:

How active is Crown Prince Sidi Mohammed in domestic politics? What is his role? What is the outlook for peaceful succession in Morocco?

Answer:

Upon the death of his father King Hassan II, Crown Prince Sidi Mohammed ascended the throne of Morocco on July 25 as King Mohammed VI. The peaceful and orderly transition of power underscored both the stability of the Moroccan political system and the depth of popular support for the monarchy. All indications are that the new king is committed to forging a strong partnership with the Prime Minister to speed implementation of democratic, economic, and social reform.

In both his public comportment and his meetings with US officials, King Mohammed VI has demonstrated that he is engaged, well-briefed, and confident. At this early stage in his reign, he appears to be one of the most progressive young leaders in Arab world, with a strong social emphasis on fighting poverty and illiteracy.

Question #56:

What results does the Administration expect from Undersecretary of State Eizenstat's April 30 meeting with North African officials?

Answer:

The US-North Africa Economic Partnership continues to represent an exciting opportunity. The Administration has asked for $5 MM in ESF for FY2000 to support the initiative, much of which would go to Morocco.

Question #60:

What amendments to the penal code has President Ben Ali proposed? To what extent would their passage and implementation serve to improve the human rights situation in Tunisia? What additional measures are needed?

Answer:

The Government of Tunisia promulgated the amendments to the Penal Code proposed by President Ben Ali on August 2. These amendments adopt the UN definition of torture and increase the maximum penalty for those convicted of administering torture from five to eight years. (Note: The Penal Code already prohibited the use of torture and cruel, inhuman, or degrading treatment or punishment.) The amendments also shorten the maximum allowable period of pre-arraignment incommunicado detention from ten to six days and require the police to inform detainees of their rights at the time of arrest and notify their families on the day of their arrest.

We welcome these changes which were designed to respond to concerns raised by the UN Committee against Torture in their November 1998 report on Tunisia. If effectively implemented, the amendments will represent a welcome step forward in improving Tunisia's human rights situation.

Additional measures are needed to improve the human rights situation in Tunisia. They are: giving detainees the right to access legal representation during the six day pre-arraignment detention period, further reducing the maximum allowable pre-arraignment period, and ending incommunicado detention. (Note: The UN Committee recommended reducing the pre-arraignment period from ten days to 48 hours, noting that most abuses occur during incommunicado periods.)

Question #61:

How does the Administration view the possible revitalization of the Arab Maghreb Union?

Answer:

The Administration welcomes the possible revitalization of the Arab Maghreb Union (UMA) and applauds Tunisia's leadership in this development. We expect a revived UMA to spur greater regional economic integration and complement US efforts under the US-North Africa Economic Partnership.

Question #62:

Has Tunisia taken steps to unfreeze its relations with Israel? What role might Tunisia play in a renewed Arab-Israeli peace process?

Answer:

Tunisia has been an important participant in the multilateral track of the Middle East Peace Process (MEPP). Tunisia was the first Arab country to host an Israeli delegation at a post-Oslo multilateral working group meeting and one the few Arab countries to send both official and private sector delegations to the 1997 Doha Economic Summit. In mid-1996, Tunisia established low level diplomatic relations with Israel and exchanged interest sections. Most recently, the Tunisian Foreign Minister personally participated in the Partners in Peace event on the margins of the UN General Assembly. With the rejuvenation of the MEPP multilateral track, Tunisia has expressed interest in hosting the next meeting of the environment working group and participating in the MENA Summit 2000.

Question #64:

Has the succession in Bahrain been smooth since the Emir's death recently? Do you believe that Bahrain's policies will change with the new Emir? Will the succession affect the human rights situation in Bahrain and relations between the Shi'a and Sunnis?

Answer:

The succession of the new Amir Shaykh Hamad bin Isa al-Khalifa since the sudden passing of his father, Shaykh Isa, has been smooth. Shaykh Hamad served as Crown Prince during his father's entire 38-year rule and had served as Commander of the Bahrain Defense Forces since 1968. This experience has prepared him well for assuming power.

Since his accession in March 1999, Shaykh Hamad has affirmed his commitment to regional peace and stability and the fundamental principles upon which our bilateral relationship is based. He recently affirmed in a letter to President Clinton his commitment to domestic and regional stability, containment of Iran and Iraq, support for the MEPP and economic reform.

The early months of Shaykh Hamad's rule have raised hopes for an improvement in the social strains which have periodically produced some small-scale violence. He has taken several positive steps since his March accession, including freeing 320 prisoners held on security offenses, opening employment opportunities, including in defense, for Bahraini Shi'a, and pardoning leading Shi'a cleric Mansour al-Jamri on charges of treason and fomenting insurrection. Shaykh Hamad's progressive political and social policies, together with his policies of economic reform and job creation, should help Bahrain's domestic situation. With regard to the latter objective, the Bahraini government recently signed an Open Skies Agreement with the U.S. in June 1999 and a Bilateral Investment Treaty in September. Bahrain was also removed from the Special 301 Watch List for protection of intellectual property for dramatic improvement in the IPR climate in Bahrain. We will continue to assist the GOB in its efforts to promote economic and social reform through the Joint Economic Dialogue which State Under Secretary Al Larson recently chaired in late September.

Question #65:

Does the Administration plan to keep an aircraft carrier in the Persian Gulf region on a permanent basis?

Answer:

Currently, we maintain an aircraft carrier in the Gulf on a near continuous basis in order to be prepared for military contingencies. I can assure you that the Administration intends to maintain forces in the Persian Gulf sufficient to meet United States military and strategic needs.

Question #68:

To what extent is the United States encouraging democratization in the Gulf? Could political opening potentially strengthen the hand of radical Islamic forces in the Gulf states?

Answer:

The development of democracy and increased political participation is a primary goal of the United States, laid out by the President. The United States is therefore encouraging Gulf states to develop democratic institutions. The situation varies in each country. Yemen had credible legislative elections and has just held credible presidential elections for the first time in its history (even though there was only one serious candidate). Kuwait's Parliament is beginning to play a more important role in that country. Qatar held municipal elections this past March and the Emir has appointed a commission to draft a constitution. The Sultan of Oman has decreed a basic law. It will be interesting to see how the Majles Ash-Shura in Saudi Arabia develops.

We see no signs that these movements toward democracy and increased political participation have strengthened in any way radical Islamic forces. Just the opposite, they seem to have strengthened the ties between the governments and their people.

Question #69:

What is the status of the F-16 sale to the United Arab Emirates? Have any systems been promised to the UAE that could potentially erode Israel's qualitative edge in the region? What is the United States doing to dissuade the UAE from allowing smuggled Iraqi oil products to offload there?

Answer:

The F-16 sale appears to be in its final stages of discussions – not for the first time. If the sale goes through, actual delivery of the aircraft and weapons systems will not occur until at least 2002.

The F-16 Block 60 is an outstanding platform which will be equipped with a number of state-of-the-art weapons. Throughout the release process for this sale, however, careful consideration has been given to maintaining Israel's Qualitative Military Edge (QME). While some elements of the platform and systems may currently be comparable to Israeli systems, Israel will retain its edge through better training, new acquisitions, and new technologies prior to any delivery to the UAE in 2002.

The United States has an absolute and unshakable commitment to Israel's security. We have closely examined this F-16 sale with that commitment in mind and do not believe that it poses a threat to Israel's national security. We will continue to work with Israel to ensure and enhance its qualitative military edge against any and all potential combination of adversaries.

We do not believe that the Government of the United Arab Emirates supports, even tacitly, off-loading of smuggled Iraqi oil in UAE ports. UAE support for multinational efforts to enforce UN sanctions against Iraq has been continuous and significant. Since 1997 alone, the UAE has accepted 49 vessels diverted by the multinational Maritime Interception Force (MIF) for sanctions violations, more than any other Gulf Cooperation Council country. UN resolutions require that illegal Iraqi petroleum products be sold and the proceeds forwarded to a special UN escrow account which is used to compensate losses incurred as a result of Iraq's invasion of Kuwait. The UAE goes a step further and confiscates the vessels caught smuggling.

The UAE Government is undoubtedly aware that smugglers have, over the years, been successful in bringing some Iraqi oil into busy UAE ports such as Dubai and Jebel Ali, often using bona fide documents indicating that the oil came from Iran or other countries. At US urging, the UAE is now testing petroleum products to determine their origin. We maintain close liaison with UAE officials and continue to work with them to develop procedures to counter constantly-changing smuggling tactics.

Question #67:

The Gulf states appear to be increasingly hesitant to back strong U.S.-led containment efforts of Iraq. What is your assessment of Gulf support for U.S. policy? If it is weakening, to what do you attribute that trend?

Answer:

The Gulf states continue to support United Nations efforts to bring Iraqi compliance with United Nations resolutions. For example, at their mid-September meeting, the Gulf Cooperation Council ministers "expressed regret about the Iraqi regime's continuous defiance of international resolutions" and its rejection of initiatives aimed at finding a mechanism to lift sanctions. The ministers stressed that Iraq still needed to prove its peaceful intentions towards its neighbors by words and deeds. Finally, the ministers reiterated their sympathy with and concern for the suffering of the Iraqi people as a result of the Iraqi government's policies and intransigence. Following a ministerial-level meeting between the GCC and the U.S. on September 27, the two sides issued a statement expressing deep concern that Iraq remains in clear violation of its obligations under UN resolutions, and agreed on the need to alleviate the suffering of the Iraqi people. They urged the Iraqi Government to take full advantage of the UN oil-for-peace programs. There is a broad-based Arab distress about conditions of the Iraqi people. We are working to address this problem in the U.N. and had strong Gulf support for our efforts.

Question #70:

What has been the Gulf state response to the Defense Department's efforts to forge a coordinated effort to deploy a theater missile defense system in the Gulf?

Answer:

Secretary of Defense Cohen raised this issue during his March 1998 visit to the Gulf. For further information on this initiative, please contact the Department of Defense.

Question #73:

Will the United States, as Oman wants, fund the repair and upgrade of jointly-used military facilities in the context of renewing the U.S.-Oman access agreements next year?

Answer:

The talks for renewing the Oman Access Agreement have not addressed the repair projects thus far as these projects come under the former (1990) agreement. If they are to be funded and repaired, it will be within the context of the existing agreement. We are reviewing the legal authorities and obligations associated with these repair projects, but have not yet determined we can fund them.

Question #74:

What is your assessment of Gulf commitment to structural reform? Does Saudi Arabia meet the criteria to join the World Trade Organization, in the U.S. view?

Answer:

We believe the Gulf states are committed to structural reform, and over the past several years, have taken steps to implement such reform. Following are a few examples of structural reform steps the Gulf states have taken. Bahrain significantly reduced the level of piracy with regard to copyrighted works and was removed from the Special 301 Watch List this year. Kuwait has in place laws that come a long way towards meeting its trade-related intellectual property obligations by 2000. Both Oman and Saudi Arabia are making progress on implementing the economic reform necessary to become members of the World Trade Organization.

Negotiations on Saudi Arabia's application to join WTO continue to make progress, and we expect Saudi Arabia will be able to formulate an accession package acceptable to all WTO members.

Question #75:

Do you believe that Kuwait and Saudi Arabia will, as they have indicated, invite American firms in to invest in upstream oil and/or gas development? What effect would that have on U.S. oil prices?

Answer:

American firms have submitted development proposals to the Government of Saudi Arabia, which the Saudi Arabian Government is now reviewing. Our understanding is that when the review is completed, the Saudi Government will discuss the proposed projects further with the American firms involved before making a final decision. In Kuwait, the Government has said that it plans to invite American firms to bid on proposed projects in the northern part of the country.

There are numerous factors that determine oil prices. We would not want to speculate on what effect new U.S. energy investment would have on prices.

Question #83:

Has there been any official reaction by the Administration to President Salih's call on Yemeni citizens to give up their national pastime of chewing qat? Has the Administration considered any measures to help Yemeni farmers find a lucrative alternative to qat cultivation?

Answer:

There has been no official reaction by the Administration to President Salih's call on Yemeni citizens to give up their national pastime of chewing qat, but the U.S. Ambassador has expressed her support for the measure. Qat has not been outlawed in Yemen, but there is an active anti-Qat campaign among the populace. It must be borne in mind that a Yemeni's giving up qat is much like an American's giving up cigarettes and coffee...it may be good for you, but it is difficult to do.

Since the U.S. is scheduled to close its USAID mission in Yemen entirely in 2000 and has no new monies, we cannot legitimately engage with the Yemenis on a crop substitution program. We also have no Peace Corps program that could work with Yemeni farmers. We would note that other donors are engaged in agriculture and water conservation projects that indirectly address the qat cultivation issue.

Question #84:

Kidnapping of western tourists seems to have diminished in recent months. Do you attribute this to improved security measures by the Yemeni Government?

Answer:

In August, 1998, the Yemeni Government promulgated strict laws on kidnapping. Since then there has been a drop in the number of kidnappings, although the seasonal spike in mid-winter did occur in 1998. It is true there have been virtually no kidnappings since winter of 1998, and Yemen Hunt reports no rifle attacks on its pipeline during the summer months of 1999. This may be, in part, attributed to better security, and tougher laws. Kidnapping, however, has not been eradicated entirely and future incidents will occur.

Representative Matt Salmon
Questions For Martin Indyk, Assistant Secretary for Near Eastern Affairs
June 8, 1999

1.) Does the Administration recognize Israel's sovereignty over West Jerusalem as it recognizes Israel's sovereignty over Tel Aviv?

2.) If an American is born in Hadassah Hospital in West Jerusalem, does the Administration believe that that person was born in the State of Israel?

Note: No response was received to these questions.