



MIDDLE EAST UPDATE

by

MG Robert F. Cocklin, AUS Ret.

February 1995



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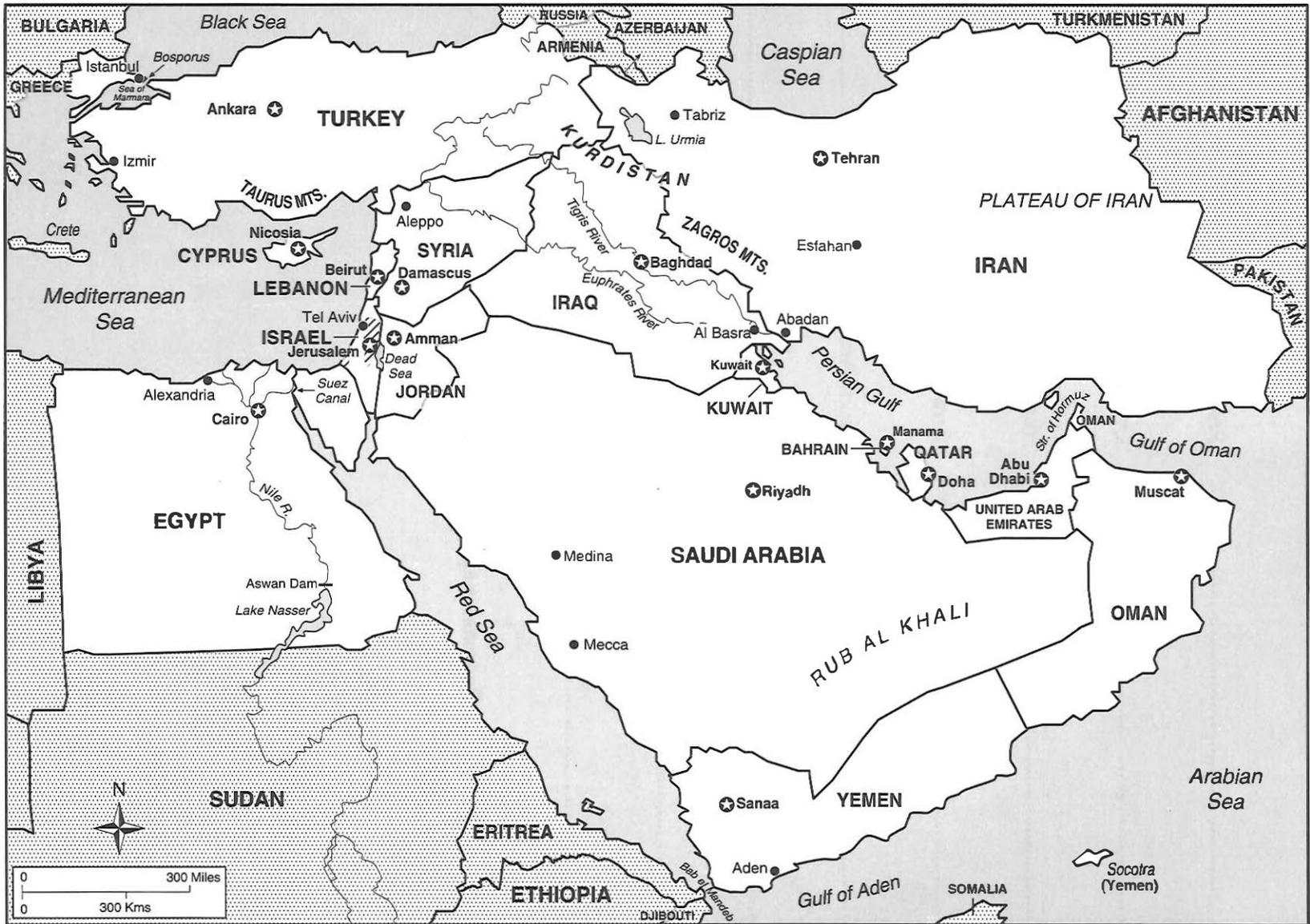
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CONTENTS

Egypt.....	1	Palestinian Groups.....	10
Jordan.....	2	Qatar.....	11
Syria.....	3	Yemen.....	12
Turkey.....	4	Kuwait.....	12
Iran.....	5	Saudi Arabia.....	13
Iraq.....	6	Oman.....	14
Israel.....	8	United Arab Emirates.....	14
Lebanon.....	9	Bahrain.....	15
Regional map.....		iv	

Middle East



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MIDDLE EAST UPDATE

The Middle East remains for many as inscrutable as China. It has many faces and many facets. Nineteen ninety-four was a milestone year of change in that part of the world — with significant implications for all of us.

The Israelis' successful efforts as the major peacemaker of the year were astonishing. Many Jews cannot yet digest it. The clear fact is that the Israeli government, under Prime Minister Yitzhak Rabin, has bitten a truly tough bullet and shows every indication of seeing their efforts through.

Nineteen ninety-four was likewise a crucial point in the existence of the Palestine Liberation Organization (PLO). With their foothold in the West Bank and Jericho, many wonder if they can pull their own group together for agreed-upon policies that would further peace. Some wonder still if, indeed, they are equipped to govern at all.

The United States has invested billions of dollars in trying to promote peace in this area upon which we rely for the bulk of our petroleum resources. This is a clear national interest for us. How far are we willing to pursue it?

Following, in the briefest of forms, is a summary by country (in no particular order) of some of the significant developments during the past year. This information should be helpful in determining where we ought to go from here.

Editor's note: The country demographic information was researched and reported by George Ehling, Research Librarian, Institute of Land Warfare. The major sources of this information were *The World Fact Book 1993* (Central Intelligence Agency) and *The Military Balance 1994-1995* (Brassey's for the International Institute of Strategic Studies).

Egypt

Government: Republic

GDP: \$43.3 billion

PCI: \$600

Defense Budget: \$1.8 billion

Population: 60,776,700

Total Active Armed Forces: 440,000 (272,000 conscripts)

Army: 310,000 (200,000 conscripts)

Navy: 20,000 (12,000 conscripts)

Air Force: 30,000 (10,000 conscripts)

Air Defense Command: 80,000 (50,000 conscripts)

Reserves: 254,000

Army: 150,000

Navy: 14,000

Air Force: 20,000

Air Defense Command: 70,000

Paramilitary: 374,000

Equipment: 3,234 battle tanks (840 T-54/55s, 200 Ramses II mod T-54/55s, 500 T-62s, 1,547 M-60s, 147 M1A1 Abrams; 472 combat aircraft (40 Alpha Jets, 25 F-4Es, 40 Ch J-6s, 16 Mirage 5E2s, 30 F-16As, 80 F-16Cs, 60 Ch J-7s, 100 MiG-21s, 54 Mirage 5D/Es, 16 Mirage 2000Cs) plus 79 armed helicopters

Nineteen ninety-four saw primarily an exacerbation of Egypt's ongoing problems, i.e., economic hopelessness; militant fundamentalism coupled with terrorism; and growing overpopulation with the attendant pollution, lack of cleanliness and traffic.

Poverty, unemployment, despair and distrust of the government are great threats to Egypt's stability. Egypt's per capita income fell to \$600. The state has also abandoned its long-time social contract to provide jobs, free housing, schools and medical care. With a half-million new job seekers entering the market each year, the climate for disillusionment and unrest is obvious. Terrorism, or the fear of it, has substantially reduced Egypt's essential income from tourism.

Egypt is one of the most populous Arab nations, with over 60 million inhabitants crowded into a highly-restricted area of arable land. The sheer numbers have overwhelmed many of the basic municipal services and caused massive traffic congestion, as nearly a quarter of the population live in Cairo. Housing shortages are so great as to be immeasurable. The government's latest unemployment estimate is 20 percent. Half the population is illiterate.

Most of the media attention in 1994 centered on the government's crackdown on Islamic militants, many of whom seek the overthrow of President Hosni Mubarak's regime.

Early in the year, efforts to suppress Muslim militants who want to create an Islamic state in Egypt were not energetically pursued by many of the police. The police in southern Egypt particularly were turning a blind eye to militant activities out of fear, lethargy or outright collaboration. The populace, for the most part, stood aside.

The state struck first at the most extreme of the Gamia' Islamiya, zealous fundamentalists. These were bands of young men charged with deeds of terror against tourists, policemen and secular literary figures. More than 30 of these Islamists have been put to death.

By midyear, security forces began a crackdown against the country's most powerful opposition organization, the Muslim Brotherhood, which ostensibly rejects violence. The Brotherhood, headquartered in Cairo, calls for the establishment of an Islamic state by peaceful means. It opposes the violence used by outlawed organizations in their efforts to topple the government. Nevertheless, the government considers the Brotherhood a serious threat to the regime.

Mubarak refuses to open up the political system because the militant Islamic groups have waged a campaign of violence against his regime. Most Islamic adherents are from among the poor, unemployed and university students. The slogan "Islam

is the solution" is embraced by millions of impoverished Egyptians who have been completely disillusioned by the failure of Arab nationalism and socialism.

Egypt continues to be the predominate leader of the Arab world. But at home, the overwhelming domestic problems are in urgent need of solution. Democratization and a reform of the political system are difficult to address in the current climate of confrontation, but in the remaining five years of his current term, Mubarak needs to find a way out.

Jordan

Government: Constitutional monarchy

GDP: \$5.2 billion

PCI: \$1,100

Defense Budget: \$411.1 million

Population: 3,960,100

Total Active Armed Forces: 98,600

Army: 90,000

Navy: 600

Air Force, 8,000

Reserves: 35,000 (all services); Army 30,000

Paramilitary: 210,000

Equipment: 1,141 battle tanks (270 M-47/48A5s, 218 M-60A1/A3s, 360 Khalid/Chieftains, 293

Tariq Centurions; 88 combat aircraft (58 F-5s, 30 Mirage F-1s) plus 24 armed helicopters

Jordan is a poor nation surrounded by regionally powerful states. As a consequence, King Hussein, its leader since 1961, has played an ambiguous role in the eyes of the rest of the world. He has had a penchant for backing losers, albeit from his point of view a matter of survival. He was an early supporter of Egypt's Gamel Abdel Nasser in time to see that effort decimated by the Israeli triumph in the Six-Day War. Since Iraq was a major source of national income for the Jordanians, he supported Saddam Hussein in the Gulf War — to the serious economic detriment of his country. Now he has signed an historic accord with Israel after 46 years of declared war. But the forecast for the future is by no means rosy.

Here is a time-line (source: The Associated Press) of the progress of Jordan's relationship with Israel:

November-December 1947: King Abdullah of Jordan and Israeli Prime Minister Golda Meir of Israel hold two secret meetings in Palestine and Jordan.

May 14, 1948: The State of Israel is proclaimed. Jordan joins other Arab countries in declaring war against it.

August 15, 1952: Hussein, Abdullah's grandson, becomes King of Jordan.

June 6, 1967: After war breaks out, Israel captures the West Bank (including East Jerusalem) from Jordan, the Sinai Peninsula and the Gaza Strip from Egypt, and the Golan Heights from Syria.

September 25, 1973: Hussein reportedly meets secretly with Israeli Prime Minister Meir in Tel Aviv, a week before the third Arab-Israeli war breaks out. Syria and Egypt combine forces against Israel; Jordan keeps border quiet during the war, but sends token force to Syrian front.

October 30, 1991: Middle East peace talks open in Madrid, seven months after the Persian Gulf War. Israel, Jordan, Syria, Lebanon and the Palestinians take part.

September 13, 1993: The Palestine Liberation Organization signs a peace plan with Israel in Washington.

September 14, 1993: Jordan and Israel sign an agenda in Washington for their own negotiations.

July 18, 1994: Jordanian and Israeli delegates meet at the border and vow to make a permanent and public peace.

July 25, 1994: Hussein and Israeli Prime Minister Yitzhak Rabin sign a declaration in Washington officially ending their 46-year state of belligerency.

August 6, 1994: Israel starts pumping water from the Jordan River into Jordan, the first tangible result of the peace process.

August 8, 1994: Jordan and Israel establish direct telephone links and inaugurate the first road directly linking the two countries.

October 11, 1994: Hussein says Jordan will sign a full peace treaty as soon as the border and water questions are settled, rather than wait until Syria and Lebanon reach accords with Israel.

October 17, 1994: Israel and Jordan initial a draft peace accord.

October 26, 1994: Israel and Jordan sign the peace treaty.

Although the population of Jordan is over 60 percent Palestinian, Hussein does not enjoy the confidence or approbation of many Palestinian groups, most especially Hamas. One of the bones of contention is the Israeli recognition of Hussein as the

custodian of the holy shrines in Jerusalem. The PLO-appointed custodian, Sheik Ikamrah Sabri, was indignant:

"We no longer need a guardian because we see ourselves as equal as any other authority. It is time for the King to quit meddling in our affairs. The Palestinian public is not at all happy with the King's attempts to control the holy sites in Jerusalem." (Shyam Bhatia, "Few Palestinians see place for Jordan's king at holy sites," *The Washington Times*, 6 Nov 94.)

The conclusion of the Gulf War imposed on Jordan another far-reaching result — the migration of hundreds of thousands of Palestinians from Kuwait to Jordan. Jordan, with a population of about 3.9 million, has received about 300,000 refugees from Kuwait. The absorption of such a massive group adds further to the economic woes of the country.

Although Jordan's future looks less frenetic than some in the Middle East, it is not without its challenges. King Hussein is a proven survivor, so the odds are in Jordan's favor.

Syria

Government: Republic under left-wing military

GDP: \$26.7 billion

PCI: \$2,300

Defense Budget: \$778 million

Population: 14,360,000

Total Active Armed Forces: 408,000

Army: 300,000 (200,000 conscripts)

Navy: 8,000

Air Force: 40,000

Reserves: 400,000: Army 300,000, Navy 8,000,

Air Force 92,000

Paramilitary: Gendarmerie 8,000. Palestine Liberation Army: 4,500; 3 brigades (in Syria, some Syrian officers); 60 T-54/55 MBT

Equipment: 4,500 battle tanks (2,100 T-54/55s, 1,000 T-62M/Ks, 1,400 T-72/72Ms); 434 combat aircraft (70 Su-22s, 20 Su-20s, 44 MiG-23BNs, 20 Su-24s, 150 MiG-21s, 30 MiG-25s, 80 MiG-23s, 20 MiG-29s) plus 100 armed helicopters

The pundits seem unanimous in their opinion that peace between Syria and Israel is just around the corner. Certainly other peace accomplishments in the Middle East in 1994 lend credence to this assumption. Obviously, the idea is not popular with all. Indicators are, however, that the opposition is losing ground.

The sticking point, of course, is the Golan Heights, which Israel took from Syria in 1967. At year's end about 15,000 Israeli settlers occupied the Heights. Earlier in the year, Israeli Prime Minister Yitzhak Rabin had suggested that a phased withdrawal of the Israelis from the Heights might be a solution. Some Israelis remain dubious. Ostensibly the purpose of taking the Heights in the first place was a matter of security for Israel. The settlements themselves do little to bolster Israel's security but do keep the Heights out of Syrian hands. The United States has been heavily engaged in discussions between the two countries and there is much maneuvering not in public view.

Syria's economy has been doing fairly well. There is, as well, a breath of optimism that comes from the belief that a peace pact would greatly hasten Syria's economic growth. They see a release of U.S. aid and investment and a productive diversion of funds from the military, which consumes more than half of the government spending.

There are some serious negatives in the Syrian economic situation. In such a controlled environment, widespread corruption flourishes. Construction projects are particularly vulnerable to the more favored instead of the civic projects for which they were intended. Businessmen continue to urge President Hafez al-Assad to establish a formal stock market, which he has yet to do. Another problem is the burgeoning birth rate. There are 44 births per 100,000 people a year. The death rate is only seven per 100,000. As young people flow in from the heartland, the population in Damascus has more than doubled in the last five years, to 3.3 million. Estimates for inflation run about seven percent annually.

If peace between Syria and Israel is truly in sight, the main bone of contention will be the Golan Heights. The focus in the United States is whether or not U.S. troops will be used to help police the truce — a difficult political nut to crack.

Assad must see the handwriting on the wall. A peace, just in his constituents' eyes, would be a great coup. He is grooming his son, Bashar, to be his replacement. The general hope is that he will want to leave him the best legacy possible.

Turkey

Government: Republic parliamentary democracy

GDP: \$173.7 billion

PCI: \$3,400

Defense Budget: \$4.6 billion

Population: 60,641,200

Total Active Armed Forces: 503,800 (410,200 conscripts)

Army: 393,000 (345,000 conscripts)

Navy: 54,000 (36,500 conscripts)

Air Force: 56,800 (28,700 conscripts)

Reserves: 952,300: Army 831,700, Navy 55,600, Air Force 65,000

Equipment: 4,919 battle tanks (586 M-47s, 3,004 M-48s, 932 M-60s, 397 Leopards); combat aircraft: 14 fighter ground attack squadrons (1 w/F-5a/Bs, 6 w/F-4Es, 7 w/F-16C/Ds), 6 fighter squadrons (2 w/F-5A/Bs, 2 w/F-4Es, 2 w/F-16C/Ds)

Turkey came through 1994 as it has in the recent past, with a foot in two ideological camps. On the one hand, it has made greater progress than many countries in the Middle East in its acceptance of Westernization. The other side of the coin is the resistance to democratization as the Turks see it, to the older, more rigid mores of the past. The Kurdish problem continued, as menacing in 1994 as it has been in the recent past.

The economy remains a dominant factor. Inflation at year's end was running at about 116 percent. The current government's efforts to privatize the

state and move to a free market embrace all of the trauma and growing pains that all such efforts experience.

Prime Minister Tansu Ciller has shown remarkable poise and leadership. The fact that she is 48 years old and the only female country leader in all of the Middle East speaks well of her charisma. But unless some solution to the Kurdish problem and its attendant public relations implications can be found, it will be extremely difficult to deal with the basic economic issues.

The Kurdish problem is particularly distressing to the West. It has been a bone of contention for many years, but the depth of its implications are little understood. At the moment, some 200,000 Turkish soldiers are trying, with modest success, to subdue an estimated 20,000 Kurds. From this turmoil stem terrorist threats in Southeast Turkey, draining resources from the efforts to improve the economy.

Turkey has been a faithful ally to the United States. During the Gulf War they agreed to shut down the oil pipeline from Iraq, which meant serious reduction in revenues for Turkey. When Saddam Hussein made his latest foray toward Kuwait, Prime Minister Ciller was among the first to say that she backed U.S. efforts one hundred percent.

Ciller sees her two major problems as the economy and terrorism. She is trying to privatize much of the government, but because it has grown so big and so pervasive in so many areas, this problem is larger than she originally thought. As for terrorism, when Ciller became prime minister, the Syrian-sponsored PKK terrorists controlled large areas of Southeast Turkey. She is using her army to gain control of that situation and there is evidence of progress, albeit slower than the prime minister would like.

Iran

Government: Theocratic republic (Islamic Fundamentalist)

GDP: \$57.8 billion

PCI: \$1,500

Defense Budget: \$2.3 billion

Population: 65,581,000

Total Active Armed Forces: 513,000

Army: 345,000 (250,000 conscripts)

Navy: 18,000 (including naval air and marines)

Air Force: 30,000

Revolutionary Guard corps: 120,000

Reserves: Army: 350,000 ex-service volunteers

Paramilitary: 45,000

Equipment: 1,020 battle tanks (190 T-54/55s, 260 Ch T-59s, 150 T-62s, 150 T-72 Chieftain Mk 3/5s, 135 M-47/48s, 135 M-60A1s); 265 combat aircraft (60 F-4D/Es, 20 Su-24s, 60 F-5E/Fs, 60 F-14s, 25 F-7s, 30 MiG-29s)

Iran remains a source of real concern for the Western world but also for its neighbors in the Middle East. U.S. Secretary of State Warren Christopher recently called Iran "the world's most significant state sponsor of terrorism." Former CIA director Robert Gates says that "the clerical leadership of Iran has not abandoned the goal of one day leading the Islamic world and reversing the global dominance of western culture and technology." Gates' successor, R. James Woolsey, added another caution: "Iran continues its multibillion dollar military modernization program and seeks to buy nuclear material and ballistic missiles."

Although it is the second largest petroleum exporter in the world, after Saudi Arabia, Iran's economic problems are severe and getting worse. The economy has not yet recovered from the eight-year war with Iraq. Rapid population growth (two million a year) and urbanization are straining severely the social services, particularly housing. Inflation runs at 20.3 percent and unemployment is officially pegged at 13 percent. Government employees earn the equivalent of \$60 a month and are forced into second jobs at night if they can find them. It is no surprise that beggars are reappearing on the streets.

Financial pressure on the government, caused by an estimated \$18.7 billion in foreign debt, has forced it to impose harsh and unpopular measures, including a 50 percent reduction in imports and an increase in prices for basic commodities, including bread.

Oil prices have plummeted since the Gulf War; since oil constitutes 90 percent of Iran's hard currency exports, this has had a dramatic impact on the economy. It certainly has placed in jeopardy President Ali Akbar Hashemi Rafsanjani's plans to free the economy. He has advocated privatization, trade liberalization and opening to foreign investment. Iran's spiritual leader, Ayatollah Mohammed Ali Khamenei, warned the president that austerity measures accompanying the reform would damage the regime. The parliament was equally suspicious of a free market, and the reform programs were stymied. This clearly leaves the economy in the doldrums, with little hope of improvement in the foreseeable future.

There is growing discontent with Rafsanjani's rule. His vote in the last election was down 37 percent from that in 1989. He also faces mounting opposition among the 270-member Majlis. The assassination attempt on Rafsanjani in February 1994 is said to have been the seventh try. It is said that Rafsanjani has tried to resign on three occasions but has been told to carry on. His second term ends in 1997, and the constitution prohibits him from running again.

Rafsanjani's cabinet is dominated by hard-liners and former members of the Revolutionary Guard. Iranian exiles are saying that the radical clergy — the dominant political force — are losing confidence in the Ayatollah Khamenei, feeling that he does not have satisfactory credentials to be the country's religious leader. Western observers have yet to note any diminution in his powers.

Iran has been spending an extraordinary \$4 billion a year for the past five years on the military. It currently accounts for 7 percent of Iran's GNP — compared to 4.8 percent for the United States — and has helped drive Iran's international debt to the \$18.7 billion mark.

Iran's military purchases include artillery, tanks, advanced sea mines, missiles and Russian jets. They are involved in nuclear research and have already developed a chemical capability. They have bought two attack submarines from the Russians and will get a third if the Russians can be convinced that Iran

can come up with the money. They already have in their inventory an extensive arsenal of tanks, artillery, attack helicopters, SCUD and Chinese cruise missiles, and 16 fighter and ground-attack squadrons — a capability far beyond anything needed for their own defense. It seems clear, for example, that they could close down the Hormuz Strait for a considerable period if they decide to go to war.

Iran is the chief threat to American interests in the Middle East. The United States cannot allow Iran to dominate the Persian Gulf anymore than we could allow Iraq to do so by invading Kuwait in 1990.

Iraq

Government: Republic

GDP: \$17 billion

PCI: \$1,940

Defense Budget: \$8.61 billion

Population: 19,877,000

Total Active Armed Forces: 382,000

Army: 350,000 (100,000 recalled reserves)

Navy: 2,000

Air Force: 30,000

Reserves: 650,000

Paramilitary: 24,800

Equipment: app. 2,200 battle tanks (T-54/-55/M-77s, Ch T-59/-69s, T-62s, T-72s, Chieftain Mk 3/5s, M-60s, M-47s); app. 310 combat aircraft (J-6s, MiG-23BNs, MiG-27s, Mirage F-1EQ5s, Su-20s, Su-25s, Su-7s, MiG-21s, MiG-25s, Mirage F-1EQs, MiG-29s, F-7s)

Once known as Mesopotamia, Iraq was the site of flourishing ancient civilizations. Muslims captured Iraq in the seventh century; a century later, Baghdad became a famous center for learning and the arts. Nineteen ninety-four did nothing to restore its faded luster.

Following the defeat of Iraq in the Gulf War, the United Nations Security Council imposed straightforward and unambiguous sanctions. They said, in effect, that Iraq could sell its oil once it was no longer a military threat to its neighbors. The conditions set forth by the UN have not been fully met.

Late in the year, Saddam Hussein signed a document recognizing Kuwait as a sovereign state and agreeing to the redrawn frontier between the two countries. That was one condition for withdrawing sanctions. Iraq must also abandon its chemical and biological programs as well as programs for nuclear and ballistic missiles. All of these are to be actively monitored by UN-appointed teams. There has been some real progress in the monitoring area, but most UN observers are not satisfied that the UN monitors have full access to all the installations that may be involved. Finally, the UN wants Iraq to end repression against minorities within its borders and to return all stolen Kuwaiti property. These latter two provisions will be difficult to enforce.

These sanctions have devastated Iraq's economy. The Iraq dinar — once valued at \$3.10 — plunged to a post-war low of 510 to the dollar in May and by year's end hovered at about 500 to 1. Infrastructure is breaking down. Telephone service is worse than a year ago, brownouts are more frequent, and drinking water is deteriorating. Although gas is cheap, the lack of spare parts is shutting down motor transportation. Government workers are resigning en masse because their salaries — equivalent to \$1 to \$2 per month — will not even pay the cost of transportation to work. Medical care has deteriorated significantly. In fact, there is no aspect of daily life, especially including food, that is not at or below the poverty level. Even when the sanctions are lifted and Iraq can tap into the world's second largest oil field, a substantial period of time will be required to recover.

In the three years since the conclusion of the Gulf War, Iraq has made amazing strides in rebuilding its decimated military force. It again has the fourth largest army in the world, estimated at 400,000 vs. the 750,000 force at the start of the Gulf War. It is estimated to have more than 2,200 tanks and 2,500 armored personnel carriers in working order, as well as over 1,800 pieces of artillery. While its navy is for all purposes nonexistent, more than 300 combat aircraft are reported available. Iran never returned the 115 planes which Iraq flew there for safekeeping during the Gulf War. Iraq is believed to have saved

from destruction several score of upgraded SCUD ballistic missiles. Inspectors believe that as many as 20 longer-range missiles may be hidden in bunkers.

Saddam Hussein dealt his prospects for an early lifting of sanctions a serious blow when he decided in October on a major show of force on the Kuwaiti border. He gathered an estimated 80,000 troops (30,000 of whom were already stationed in the south) plus their tanks and artillery in an area just short of the demilitarized zone between Iraq and Kuwait.

American response was quick and decisive. More than 30,000 troops were dispatched from the United States to join the 2,000 Marines already off-shore in the Gulf. Fifty-one additional warplanes were sent to augment the 85 already stationed in Saudi Arabia. The aircraft carrier *George Washington* was sent to the Red Sea. Other military units in the United States were put on alert and full-scale planning for further expansion was under way. The speed and force of America's response won general approbation and Hussein received encouragement from no quarter. The end result was foregone: Iraq withdrew its forces. Hussein's claim that his troops were on a training exercise was generally regarded as ludicrous.

Anticipating an end to the sanctions, Iraq has negotiated a batch of trade agreements with France, Turkey and Russia, and has even been discussing new contracts with U.S. companies. A loophole in the sanctions allows foreign companies to set up deals with Iraq that will take effect when the sanctions are lifted.

The UN has already made one important concession, a partial reopening of Iraq's pipeline through Turkey. Periodically, Baghdad will be allowed to flush the pipeline of old oil — which Turkey claims is corroding the line — and to fill it with fresh oil. Each flush will yield about 12 million barrels of oil, which on the market should net Iraq about \$50 million. This could take place several times a year.

Nineteen ninety-four was, indeed, an active year on the Iraqi front. Despite all the deprivations suffered by his people, Hussein remains firmly in the

saddle. The odds favor a lifting of the sanctions in 1995 as greed replaces the unity the world had shown against this totalitarian regime. Iraq continues to be a serious threat to peace in the Middle East.

Israel

Government: Republic

GDP: \$69.6 billion

PCI: \$12,100

Defense Budget: \$7.2 billion

Population: 5,100,000

Total Active Armed Forces: 172,000 (138,500 conscripts)

Army: 134,000 (114,700 conscripts)

Navy: 7,000 (3,000 conscripts)

Air Force: 32,000 (21,800 conscripts)

Reserves: 430,000. Army 365,000; Navy 10,000; Air Force 55,000

Paramilitary: 6,050

Equipment: 3,895 battle tanks (1,080 Centurions, 325 M-48A5s, 500 M-60/A1s, 750 M-60A3s, 150 Magach 7s, 50 T-54/-55s, 110 T-62s, 930 Merkava I/II/III); 442 combat aircraft (50 F-4Es, 50 Phantom 2000s, 63 F-15s, 209 F-16s, 20 Kfir C2/C7s, 50 A-4/Ns) plus 117 armed helicopters

This has been truly a momentous year for the State of Israel. Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres have performed wonders to advance rapprochement in the Middle East. In May, there was the self-rule pact with the Palestine Liberation Organization which provided for their takeover of the Gaza Strip and Jericho. Israel had captured the West Bank and Gaza in the Middle East War of 1967 and has had jurisdiction over these areas ever since. The signing of this peace pact won for Rabin, Peres and PLO leader Yasir Arafat, the Nobel Prize for peace. In July, Israel signed a peace treaty with Jordan, ending 46 years of a state of war. On the horizon may be a peace treaty with Syria.

The pact with the PLO has not met with great enthusiasm within Israel itself. There are concerns about the PLO's ability to govern, particularly since no governing infrastructure in the PLO has ever existed heretofore. But the primary concern of the

Israelis is personal safety. Shootings and bombings have continued. The fundamentalist terrorist group Hamas, operating out of Gaza, continues to kill Israelis as a means of protesting the pact. Arafat has not yet been able to control them. In October, a Hamas bus bombing killed 22, reminding Israelis of their vulnerability. Since November 1968, there have been 11 major terrorist attacks against Israel in which 199 were killed and hundreds wounded.

The treaty with Jordan, on the other hand, resulted in the destruction of another barrier to peace in the Middle East. The Israelis have far more confidence in their treaty with Jordan than could ever be possible with the PLO. At year's end the first Israeli tourists crossed the border at Aqaba on a visit to the fabled city of Petra. The treaty also places more pressure on Syria's leader, Assad, to try to come to terms as well. The issue will not be resolved easily. Assad has said so far that he will consider a treaty only if the Golan Heights are returned to Syria. Obviously, the 13,000 Israelis who live in the Heights are adamant in their opposition to being moved out. Other Israelis, with past history in mind, are reluctant to give up the Heights for strategic reasons.

Internally, the government faces other challenges. Since the founding of Israel in the ashes of the Holocaust, Israel has had an open-door immigration policy for all Jews. Many in Israel now wonder out loud whether Israel should foot the bill for the tens of thousands of infirm and elderly immigrants among the 477,000 who have arrived from the Soviet Union since 1989. The public mood is volatile and Rabin's parliamentary majority too slim to ignore these concerns.

The Israeli military remains strong and quickly reactive. History has taught its neighbors that there is little reluctance to use it if provoked. In addition to the arsenal listed at the beginning of this article, Israel is reported to have a minimum of 100 nuclear missiles and bombs. So it is more than a leavening force.

In October 1994, the six countries of the Gulf Cooperation Council (Saudi Arabia, Kuwait, Oman,

Qatar, Bahrain and the United Arab Emirates) ended their boycott which called for blacklisting any firms dealing directly with Israel or having ties to Israel.

Rabin has performed miracles in breaking down barriers with Arab enemies. He has also lowered the jobless rate and housed a tidal wave of immigrants. Still there is unrest. Peace with the PLO has not brought an end to terrorist attacks, and talks with Syria seem to be stalemated. Rabin will, no doubt, want to spend more time on domestic issues.

Lebanon

Government: Republic

GDP: \$6.3 billion

PCI: \$1,400

Defense Budget: \$307 million

Population: 3,616,000

Total Active Armed Forces: 44,300

Army: 44,300

Navy: 500

Air Force: 800

Reserves: None listed

Paramilitary: 13,000

Equipment: 300 battle tanks (100 M-48A1/A5s, 200 T-54/-55s; 3 combat aircraft (2 Hunter F-70s, 1 Hunter T-66) plus 4 armed helicopters

There is a growing feeling that the 18-year-old civil war in Lebanon is drawing to a close. Funds are being raised outside the country to begin serious rehabilitation of Beirut, once considered the "Paris of the Middle East."

To be sure, sporadic violence still plagues the country, but it is on a diminishing scale. Syria maintains some 35,000 troops in Lebanon and there is a pro-Israel militia of some 3,000 in the South helping Israel maintain a buffer zone above its border.

President Elias Hrawi paints a rosy picture of Lebanon's post-civil war recovery. Since the end of the 1975-1990 civil war, Lebanon has received some \$1.8 billion in Arab and foreign loans to help with its massive reconstruction plans. Local currency has been stabilized and personal and corporate taxes have

been reduced. Lebanon remains under international pressure to modify its banking secrecy laws to help fight drug-money laundering. Hrawi says the banking laws will not be changed. The United States has had a nine-year ban on the travel of U.S. citizens and aircraft to Lebanon. Similarly, Lebanese aircraft may not fly to the United States. Hrawi is anxious to get this ban lifted.

There are several serious bones of contention that keep real peace at bay in Lebanon. As a client state of Syria, the country is caught in conflict between Syria and Israel. The Golan Heights border on Lebanon as well as on Syria, and the return of the Heights to Syria is the sticking point for peace between Israel and Syria. The second problem stems from terrorist activities emanating from Lebanon. Israeli troops in southern Lebanon have come under increasing attacks by the Islamic Resistance, the military wing of the pro-Iranian Hizbollah (Party of God). Hizbollah guerrillas killed 21 Israeli soldiers and wounded scores in 1994. Israel has responded by mounting repeated attacks on Hizbollah strongholds in southern Lebanon.

The outbreaks of peace in the Middle East may yet end the face-off between Syria and Israel. Should this occur, Lebanon would certainly be a beneficiary. Lebanon could once again become that small garden spot of the Middle East that it once was.

Palestinian Groups

Palestine Liberation Organization; led by Yasir Arafat.

Fatah: Political wing of the PLO; based in Lebanon.

Palestine Liberation Front; led by Abu Al-Abas; 300-400 based in Iraq.

Palestine National Liberation Army; 7,000 based in Lebanon, Libya, Jordan, Iraq and elsewhere throughout the region. The PNLA is effectively the military wing of the PLO. Its units in various Middle East countries are closely monitored by host nations' armed forces.

Democratic Front for Liberation of Palestine; led by Nayef Hawatmeh; 500-600 based in Syria, Lebanon, elsewhere.

Fatah dissidents; led by Abu Musa; 1,000 based in Syria and Lebanon.

Popular Front for Liberation of Palestine; led by George Habash; 500 based in Syria, Lebanon, occupied territories.

Popular Front for the Liberation of Palestine — General Command; led by Ahmed Jibril; 600 based in Lebanon and Syria.

Popular Struggle Front; led by Samir Ghansha; 600-700 based in Syria.

Saiqa; led by Isam al-Khadi; 1,000 based in Syria.

Source: *The Military Balance, 1994-1995* (Brassey's for IISS)

In May 1994, one of the great experiments of modern times in the Middle East began. Israel and the PLO reached an agreement which gave the PLO control over the Gaza Strip and Jericho. How this will play out in the long run is a matter of deep concern on both sides. The main question is whether or not the PLO is ready or capable of accepting the full responsibilities of governance. At the outset, jobs are scarce, the government's coffers are empty — although offers of modest outside help have been made — and morale is low.

On August 30 the Israelis signed an agreement giving the PLO control over five spheres of government which the Israelis had run for the past 27 years. The PLO was given responsibility for the departments of education, welfare, tourism and taxation in the West Bank. Control of schools takes effect immediately; other departments must wait until funding questions are resolved. The Palestinian Authority may amend laws concerning the five departments, subject to Israeli veto. The Palestinian Authority

will run the departments from its autonomous areas in the West Bank and Jericho.

Many Palestinians are far from satisfied with the agreements. Despite their lack of experience in governing, the overriding priority of Palestinians in the West Bank and Gaza is to rid themselves of all vestiges of Israeli occupation. Diaspora Palestinians believe the pact ignores their concerns, primarily their right to return to their homes in pre-1967 Israel. Hamas and other groups critical of the agreement seek to poke holes in the pact with minimum bloodshed among Palestinians. Six months after Arafat took over, many see no improvement in their standard of living. There is growing mistrust and rancor that bode ill for expanding the pact.

Obviously, Arafat's government needs time and money to change public attitudes. His autocratic style is not designed to win him public accord. His slowness in meeting international donors' conditions for receiving aid, his penchant for secrecy, his obsession with total control and his dependence on multiple security services have generated disillusionment among those who had thought the early agreement with Israel would provide the basis for a new future.

Going back to the days of the Intifada, terrorism and bloodshed have been the tools of choice in the Palestinians' efforts to defeat the Israelis. Even with the accords signed this year, there is no evidence that this method of attack has been abandoned — as the following chronology, provided by Reuters, clearly indicates.

September 13, 1993: Israel and the PLO sign a plan in Washington to bring self-rule for Palestinians in Gaza and Jericho and eventually all of the West Bank.

October 13, 1993: Israel and the PLO open talks in Egypt on how to carry out self-rule.

February 9, 1994: Partial agreement is reached for security at border crossings.

April 29, 1994: Agreement is signed in Paris with a framework for economic ties between Israel and self-rule areas.

May 4, 1994: Agreement on the details of self-rule for the Gaza Strip and Jericho is signed in Cairo.

May 11, 1994: First Palestinian police enter the Gaza Strip.

May 18, 1994: Last Israeli troops withdraw from Palestinian towns and refugee camps in Gaza.

May 20, 1994: Two Israeli soldiers are killed in a guerrilla attack on their Gaza Strip checkpoint.

July 2, 1994: Two Palestinians and an Israeli policeman are killed during riots by Palestinians protesting delays at the main crossing point between the Gaza Strip and Israel.

August 29, 1994: Israel hands over education services to the Palestinians.

October 9, 1994: Gunmen from the Islamic Resistance Movement, known as Hamas, kidnap an Israeli soldier. He dies in a rescue attempt five days later. The Palestinian Authority, under pressure from Israel, triggers anger as it rounds up hundreds of Palestinian militants.

October 19, 1994: A Hamas suicide-bomber detonates explosives on a Tel Aviv bus, killing 22 people and himself.

November 2, 1994: A member of Islamic Jihad, Hani Abed, whom Israel has accused of being behind the May 20 attack on Israeli soldiers in Gaza, is killed by a car bomb. Islamic Jihad blames the Israeli secret service and vows revenge.

November 11, 1994: An Islamic Jihad bomber kills himself and three Israeli officers at a military checkpoint. Islamic Jihad says the bombing is the first reprisal for Abed's assassination. The Palestinian Authority rounds up nearly 200 Islamic Jihad campaigners.

November 18, 1994: Palestinian police fire on demonstrators near a mosque in Gaza City, killing at least 12 people and wounding as many as 200.

Until such time as Arafat can get control of Hamas and the other dissidents who prefer the gun to the pen, his course will be difficult. He faces the growing impatience not only of many Israelis but also of other nations upon whose financial support he must depend.

Arafat's administration is currently paralyzed by a lack of money. The standard of living in Palestine-controlled areas has plummeted, prices have soared and unemployment continues to increase. Street cleaners get \$37.50 a week and thousands of college graduates with master's and even PhD degrees stand in line for the vacancies. A minister's advisor earns \$198 a month, a policeman earns just \$450 a month — all predicated on the payroll being met.

Foreign countries have pledged up to \$2 billion to get the Palestinians launched. The Israelis agreed to pay teachers for two months, but after that the problem is the Palestinians'. Economically, the autonomous areas are hostage to Israel. Ninety percent of the imports come from Israel and about 75 percent of the exports go to Israel. About one-quarter of the population in the autonomous areas are supported by family members who work in Israel. Airports, seaports and other transit facilities are under the control of Israel. So the problems ahead for Arafat can scarcely be exaggerated.

This may, indeed, be a crucial experiment in the move toward peace in the Middle East. Certainly it does not lack for problems. One of the most fundamental issues is what Arafat can do to reign in Hamas and the rule of terror. Presumably, Hamas leaders want positions of power in the Palestinian National Authority. If they can be made legitimate players, the opportunity for more stabilized progress can be enhanced.

Qatar

Government: Traditional monarchy
 GDP: \$7.3 billion
 PCI: \$15,000
 Defense Budget: \$299 million
 Population: 290,000
 Total Active Armed Forces: 10,100
 Army: 8,500
 Navy: 800
 Air Force: 800
 Reserves: None listed
 Paramilitary: None listed
 Equipment: 24 battle tanks (AMX 30s); 17 combat aircraft (6 Alpha Jets, 11 Mirage F-1s) plus 20 armed helicopters

The small sheikdom of Qatar is about the size of Connecticut and Rhode Island combined. It is located in a strategic position in the Persian Gulf and sits on a field of oil and natural gas. Its GDP last year was \$7.3 billion.

Qatar strengthened its ties with the United States in the wake of Iraq's invasion of Kuwait. Qatari troops played an important role in the first battle of the Persian Gulf War, helping to repel an Iraqi force that had penetrated Saudi territory. In March 1991, Qatar joined other Gulf states in endorsing a U.S. security plan for the whole area. In 1993 Qatar signed a bilateral defense cooperation agreement with the United States.

Currently, to help U.S. efforts to increase its military presence in the Gulf area, Qatar has agreed to some U.S. equipment repositioning efforts. Under construction now is a warehouse for ground transportation equipment near the capital of Doha. A location has not yet been determined for another repositioning facility for one U.S. armored brigade.

Yemen

Government: Republic

GDP: \$7.7 billion

PCI: \$545

Defense Budget: \$375 million

Editor's Note: Due to the recently concluded civil war started in May 1994, military information is divided between the two warring parties of North and South Yemen.

North

Population: 8,723,000

Total Active Armed Forces: 38,500

Army: 37,000 (plus 25,000 conscripts)

Navy: 500

Air Force: 1,000

Reserves: 40,000 (Army)

Paramilitary: 30,000

Equipment: 625 battle tanks (475 T54/-55s, 100 T-62s, 50 M-60A1s); 49 combat aircraft (11 F-5Es, 15 Su-22s, 23 MiG-21s)

South

Population: 2,319,000

Total Active Armed Forces: 27,500

Army: 24,000 (including 18,000 conscripts)

Navy: 1,000

Air Force: 2,500

Reserves: 45,000 (Army)

Paramilitary: 45,000

Equipment: 515 battle tanks (250 T-34s, 250 T-54/-55s, 15 T-62s); 44 combat aircraft (24 MiG-21s, 20 Su-20s) plus 12 armed helicopters

Despite its strategic location in the Gulf of Aden at the mouth of the Red Sea, Yemen is not well known to the West. Its oil reserves are small by comparison with its sister states and it has a slow-moving culture, best known for having been headed by the Queen of Sheba.

Yemen, about the size of California and Pennsylvania combined, had been divided between north and south since the early 1770s. With their sagging economies and regional instability in the wake of the Iran-Iraq War, the Yemenis took the risk of combining resources to position themselves for regional leadership. The unification took place in 1990 and ended in mid-1994 when northern military units occupied the port city of Aden and the former capital of the south. Tribal conflicts and jealousies won out.

Yemen's population of 11 million is the second largest in the Arabian Peninsula after Saudi Arabia, but it suffers from one of the highest infant mortality rates in the world. Ten percent of its \$9 billion GDP is spent on the military. Although Sanaa in the north remains the capital of the country, Aden in the south is the main port and source of economic activity.

Yemen's unification has been popular among most ordinary Yemenis. The ethnic, tribal and religious divisions, coupled with the fact that army units, police forces and bureaucracies remain un-united, makes the future for continued unification problematical.

Kuwait

Government: Nominal constitutional monarchy

GDP: \$24 billion

PCI: \$11,100

Defense Budget: \$1.7 billion

Population: 1,650,000

Total Active Armed Forces: 16,600 (including conscripts)

Army: 10,000

Navy: 2,500

Air Force: 2,500

Reserves: 23,700 all services

Paramilitary: 5,000 National Guard

Equipment: 164 battle tanks (150 M-84s, 14 M1A2s); 55 combat aircraft (32 F/A-18Cs, 8 F/A18Ds, 15 Mirage F1CK/BKs) plus 16 armed helicopters

Late in 1994, Iraq began massing troops on Kuwait's border in a replay of the precursor of the Gulf War. Fast reaction by the United States and other allies persuaded Saddam Hussein that a replay was not to be allowed. It was impressive to note that the Kuwaitis did not panic at the Iraqi buildup but moved what they had to combat it and relied on the promises of their allies, subsequently fulfilled.

Kuwait is about the size of New Jersey, with a population just under two million. Only .4 percent of its land is arable, but it sits on an extremely large oil field. This is the prize for which Saddam Hussein was willing to risk so much. Obviously, it still tempts him.

With the passage of time, many have forgotten how devastating the Iraqi invasion of Kuwait really was. During a seven-month occupation, Iraqi forces inflicted horrendous suffering on the Kuwaiti population, destroyed the country's infrastructure, stole or pillaged private and public property, and ignited 723 oil wells. The fires burned away a portion of the country's natural resources and left Kuwait shrouded in smoke for eight months. This was an environmental disaster of monstrous proportions. It is worth remembering now to remind us of the sheer brutality of the Iraqi regime.

Kuwaiti society has gone from a government that was able to provide them abundantly with life's amenities, either free or at minimal cost, to one where taxes must be paid and the harsher realities of living faced up to. Kuwait is spending vast sums on arms and equipment, much of it from Russia, and has made

major weapons deals and defense pacts with France, Britain and the United States.

Kuwait, along with the other major oil-producing countries of the Middle East, continues to be of vital importance to the West. The Gulf War has made cooperation amongst us far more viable.

Saudi Arabia

Government: Monarchy

GDP: \$125.5 billion

PCI: \$5,800

Defense Budget: \$13.9 billion

Population: 18,196,000

Total Active Armed Forces: 104,000 (plus 57,000 National Guard)

Army: 70,000

Navy: 12,000

Air Force: 18,000

Air Defense Forces: 4,000

Reserves: None listed

Paramilitary: 15,500

Equipment: 770 battle tanks (30 M1A2s, 290 AMX-30s, 450 M60A3s); 292 combat aircraft (51 F-5Es, 44 Tornado IDSs, 78 F-15Cs, 20 F-15Ds, 24 Tornado ADVs)

The story in 1994 from Saudi Arabia has been primarily economic. The continuing world oil glut has forced the Saudis to cut their budget by about 20 percent and has forced them to stretch out contracts already in place, particularly with U.S. firms. Since Saudi Arabia has been the major purchaser of U.S. arms since the Cold War, this has had serious implications for U.S. industry. Contracts to buy \$6 billion worth of U.S. commercial airplanes also remain in abeyance although the Saudis assure that these contracts will ultimately be completed. The clarion message is a current cash shortage.

The specter of Saudi Arabia without fistfuls of money to throw at any project comes as somewhat of a shock to the rest of the world. Here is a country sitting on the world's largest oil reserves, which provide 70 percent of its budget revenues. The country has no constitution, no political parties, no suf-

frage and no legislative branch. So the monarchy has the purse strings tightly in its hands. The monarchy has not been known for monetary restraint in taking care of its own. It is fair to say that up until the conclusion of the Gulf War, Saudi's citizens enjoyed many of the fruits of the country's plenty.

Some fallout from the Gulf War remains. The unprecedented number of foreigners in the kingdom during the war was a traumatic experience for the national society. Some used the situation to push for change, including a call by the middle class and intellectuals for greater participation in the political process. The monarchy responded by establishing the Consultative Council, but that has done little to modify the existing situation — and most do not think it will.

Saudi Arabia has not been immune from the pressure of politically activist Islamic movements. Conservative religious leaders see Islam undermined by the waywardness of the ruling family and Westernization. Their demands for reform have not yet had any major impact, but they have developed a significant following.

Because of its great potential wealth Saudi Arabia remains an attractive target for many of the lesser endowed among its neighbors. As the keeper of the two holiest sanctuaries of the Islamic faith, Mecca and Medina, the country is of special interest to all believers.

This is a time of change in Saudi Arabia; it seems in 1994 that it has more to fear from its more radical religious compatriots than from some foreign source.

Oman

Government: Monarchy

GDP: \$12 billion

PCI: \$6,925

Defense Budget: \$1.6 billion

Population: 2,018,000

Total Active Armed Forces: 42,900

Army: 25,000

Navy: 4,200

Air Force: 3,500

Reserves: None listed

Paramilitary: 3,900

Equipment: 73 battle tanks (6 M60A1s, 43 M60A3s, 24 Chieftain Mk7/-15s); 33 combat aircraft (15 Jaguars, 1 GR1, 4 T-2s, 5 Hunter FGA-73s, 2 T-76s, 1 FR-10, 1 T-66A, 4 Hawk 203s)

Some U.S. statesmen consider Oman to be the most reliable ally of the United States in the Persian Gulf. Oman was the only Gulf nation that endorsed the Camp David accords and refused to sever relations with Egypt because it made peace with Israel. Since 1980, when Oman signed a defense agreement with the United States, it has become increasingly involved in U.S. strategic plans for projecting force into the Middle East. It certainly was a valuable ally during the Gulf War.

In the last two decades, Oman has made remarkable strides in improving living standards, health care, infrastructure and schools. With a GDP approximating \$16 billion its resources are limited, but it seems to be making the most of what it has.

Currently, Oman provides areas for prepositioning U.S. ground equipment and air stocks. In another area, U.S. maritime patrol and reconnaissance aircraft use Omani facilities to operate. On Oman's Goat Island, the United States operates an electronic surveillance facility.

United Arab Emirates

Government: Federation

GDP: \$3.6 billion

PCI: \$14,100

Defense Budget: \$1.9 billion

Population: 2,415,000

Total Active Armed Forces: 61,500

Army: 57,000

Navy: 2,000

Air Force: 2,500

Reserves: None listed

Paramilitary: 40

Equipment: 125 battle tanks (95 AM-30s, 30 OF-40 Mk 2s); 63 combat aircraft (9 Mirage 2000Es, 18 Hawk 102s, 14 Hawk Mk 63As, 22 2000EADs) plus 39 armed helicopters

The United Arab Emirates, formerly known as the Trucial States, is the only federation of states in the Middle East. The UAE extends for 746 miles along the southern rim of the Persian Gulf. In 1972, the seven emirates got together to create a federal framework that could help them avoid domination by their two large neighbors, Saudi Arabia and Iran.

Abu Dhabi, the largest and most populous of the emirates, is the federal capital. With proven oil reserves of 31 billion barrels, accounting for 60 percent of the federation's GNP, the UAE deals now with the problems of sudden wealth of great proportion. Some of that has been reflected in the BCCI bank scandal, which remains unresolved.

Beyond the economic activity, which will be substantial, the UAE is not unfriendly to the aims of the free world. The United States has small amounts of naval equipment and support facilities in two locations there now.

Bahrain

Government: Independant emirate

GDP: \$4.4 billion

PCI: \$7,500

Defense Budget: \$248.1 million

Population: 560,000

Total Active Armed Forces: 8,100

Army: 6,800

Navy: 600

Air Force: 700

Reserves: None listed

Paramilitary: 9,250

Equipment: 80 battle tanks (M60A3s); 24 combat aircraft (8 F-5Es, 4 F-45Fs, 8 F-16Cs, 4 F-16Ds) plus 10 armed helicopters

Bahrain is the smallest of the Gulf states, about one-fifth the size of Rhode Island. It is an archipelago of 35 islands (only six of which are inhabited) that juts out into the Persian Gulf.

Bahrain had little part in the Iran-Iraq War and managed to keep a low silhouette during the invasion of Kuwait. With small oil reserves, it has moved

into oil refining, aluminum smelting and ship repair. It also exempts financial institutions from regulation or taxation and, as a result, has more than 100 international banks with offices there.

The sheikdom remains reasonably calm although Shiites continue to be a destabilizing force.

In the capital of Manama, U.S. Central Command has established headquarters for its U.S. naval contingent at the port facility of Mina Al-Sulman.