

Regional Stability and Strategic Issues

- 4.1 The strategic importance of the Middle East to the world, and to Australia, scarcely needs to be stated—conflict in the Middle East has both global as well as regional implications for peace and security:

Regional security is one of the most important issues affecting the relationship of Middle East and [Persian] Gulf region countries with the rest of the world. The continuing unsettled situation in relation to the Middle East peace process, the unresolved problem of Iraq, and international concerns about politically-motivated violence, human rights, nuclear issues, and the development of weapons of mass destruction mean there are still some reservations within the region about long-term stability and promise.¹

- 4.2 The region's geographic location and volatile history, and its commercial exploitation by rival nation states of Europe from the 19th century until at least the first half of the 20th century, guaranteed that the Middle East would continue to be a strong focus of world attention. The discovery of oil, and the development super-power rivalry between the US and the former USSR after World War 2, increased the strategic importance of the region and hence the potential for tensions in the region to have global impact. The end of the 'Cold War' resulted in a huge realignment of external influence in the Middle East, and signalled the emergence in the 1990s of the US as the major peace broker in the region.²

1 DFAT, Submission, p. 964.

2 Joffe, op. cit., pp. 32, 54. In very broad terms, the US supported the conservative oil monarchies and Israel, while the then USSR supported Egypt, the Ba'ath regimes in Syria and Iraq, and the PLO.

- 4.3 The Iran-Iraq war, between 1980 and 1988,³ and the (second) Gulf War of 1990-91 highlighted the frictions that have strained relations for decades—indeed centuries in the case of Iran and Iraq—in that region of the Middle East.⁴ Fortunately, the Iran-Iraq war did not directly embroil the other Arab states of the region, but by 1984 the tension had spread into the Persian Gulf in the 'tanker war', which led to clashes with US navy ships patrolling the sea lanes in order to protect oil supplies. In May 1987, the *USS Stark* was struck by a missile fired by an Iraqi jet, killing 37 sailors. In July 1988, the US cruiser *Vincennes* shot down an Iran Air airliner which it mistook for an Iranian warplane, killing everybody on board. Just months later, a terrorist bomb destroyed a Pan American 747 over Lockerbie, killing all 259 people on board.
- 4.4 The Gulf War of 1990-91 reminded the world, if any reminder were needed, of the potential for regional disputes to have extremely dangerous global ramifications. Moreover, these conflicts served to remind the world also that Middle East tensions were not confined to the eastern Mediterranean region, which had until then tended to occupy centre stage.
- 4.5 As DFAT stated in evidence, a stable Middle East is important to Australia and, within the limits of Australia's influence, promotion of regional security is a primary concern. Australia has clear interests in combating the proliferation of weapons of mass destruction (WMD), in reducing possible threats to lines of communication between Europe and East Asia, and in seeing the continued flow of oil essential to many of our trading partners, including Japan and Korea, as well as Australia itself.⁵
- 4.6 The Department of Defence (Defence) described the strategic importance of the Middle East in the following terms:
- ... [O]ne of the characteristics of the middle East is, of course, that it is one of the regions of the world which has, for a range of historical reasons, a most intense focus on military power and in which armed force plays a large role in international affairs.⁶
- 4.7 In further evidence, Defence outlined Australia's key strategic interests from a defence perspective:

3 The Iran-Iraq war was triggered by a long-standing dispute over the vital Shatt al-Arab waterway, but quickly escalated into conflict over territory in the south west of Iran. Iraqi forces initially made rapid gains, but failed to achieve outright victory.

4 Joint Committee on Foreign Affairs and Defence, *The Gulf and Australia*, 1982, pp. 48-49.

5 DFAT, Transcript, p. 3.

6 Defence, Transcript, p. 44.

- support for international peace and security through helping avoid destabilising competition and conflict within the region;
- support for prevention of development and proliferation of WMD in the region;
- building defence relationships with the Persian Gulf states which are robust enough in their own right to enable us to deploy to the Gulf in support of coalition operations;
- demonstrating Australia's commitment to, and support for, the US role in the Middle East;
- protection of Australia's economic and trade interests in the region; and
- maintaining a strategic defence industrial capability (defence exports) in Australia.⁷

Oil as a Strategic Commodity

4.8 Since World War 2, oil has become the basic energy source for the industrialised western world, for Japan and the other developed nations of Asia. Estimates of the world's remaining reserves of oil have varied enormously since the 1970s. The extreme pessimists have argued that depletion is close to the psychologically important half-way mark, while more optimistic analysts argue that this turning point is decades away. Thanks to advances in exploration and production technology, the amount of oil available has increased considerably in recent years. Iraq's proven oil reserves of 115 billion barrels are second in the world to Saudi Arabia, which has estimated reserves of 261 billion barrels and vast untapped reserves below the sands of the Al-Shaybah oil field.⁸

4.9 According to DFAT, it is estimated that the Middle East as a whole contains some 87 per cent of the world's oil. Five Persian Gulf states produce around 26 per cent of the world's oil and possess 63 per cent of the world's known oil reserves. Some 27 per cent of Australia's oil imports come from the Persian Gulf, and the figure for Australia's major trading partners in Asia is even higher, particularly Japan. There are no known reserves of oil which are as easily and economically exploited as those which are currently known to exist in the Middle East, a situation which will maintain the world's focus on that region. Due to its vast reserves of

7 Defence, Submission, pp. 1650-51.

8 AFP newswire, 24 and 28 May 2001, story nos. 9761 and 4166.

liquefied natural gas, Qatar will, in DFAT's estimation, soon emerge as a key player in international energy circles.⁹

- 4.10 The International Energy Agency, which represents the major energy-consuming nations, agrees that many oil fields outside the Middle East will soon mature, but does not expect a global supply crisis to occur within the next 20 years at least. Nevertheless, volatile energy prices have probably provided an insight into the future:

The world has been lulled into a false sense of security by the decade-long period of low and stable prices following the collapse of oil prices in the mid-1980s (except for a brief spike surrounding the Gulf War). Taking a longer view, however, volatility and unpredictability in oil prices appear to be the norm, as they are for every other commodity. Indeed, they seem worse under the fractious and ill-disciplined OPEC oil cartel than they would be either in a free market or in a strong monopoly. What is more, changes in the oil business in the past few years have had the effect of increasing volatility.¹⁰

- 4.11 The 1973 oil crisis underlined the leverage possessed by the oil-producing Arab states, which effectively utilised oil as a 'weapon' in conjunction with the Egyptian and Syrian attacks on Israel during the 'Yom Kippur' war in October of that year:

In 1973, the Arab countries restricted oil supplies on a far larger scale than during the previous Arab-Israeli wars, by both decreasing production and by implementing total or partial oil embargoes on certain countries.¹¹

- 4.12 More recently, Iraq's Deputy Prime Minister warned of a world oil crisis if the foreshadowed amendments to the UN's 'oil-for-food' program forced Iraq to retaliate by ceasing production.¹² On the other side of the supply/demand equation, the US continued its policy of isolating Iran by imposing restrictions on oil and other products in 1995, accusing Tehran of continuing to support international terrorism. The EU nations and Japan continued to trade with Iran, however. In early 1999, relations between the US and Iran began to improve, as did Iran's relations with Saudi Arabia and the Arab world in general.¹³

9 DFAT, Submission, p. 998 and Transcript, pp. 373-34.

10 *The Economist*, 'Energy Survey', 10 February 2001, p. 14.

11 Joint Committee on Foreign Affairs and Defence, *The Middle East*, 1997, p. 190.

12 AFP newswire, 28 May 2001, 'Iraq warns of world crisis if oil exports interrupted'.

13 Since the Gulf War, Iran has re-established diplomatic relations with Saudi Arabia, its main rival for leadership of the Muslim world.

- 4.13 In evidence, Defence listed the global oil trade as one of several important factors affecting international security, since oil supplies underpin the economic growth of trading partners upon which Australian prosperity depends. A major share of the world's oil reserves remain in the Persian Gulf region, a situation which has drawn Australia into that region for many years in support of international initiatives led by the UN and the US. Defence described Australia's national interests in the region in terms of the following considerations:
- supporting the UN globally;
 - suppressing the spread of weapons of mass destruction (WMD) and their means of delivery;
 - supporting the role of the US as a major guarantor of regional security; and
 - seeking to secure political and humanitarian solutions to the long-standing conflicts in the Middle East.¹⁴

Regional Security

- 4.14 The strategic importance of the Middle East to global and regional stability means that Australia is vitally concerned with international efforts to achieve stability in the region. Australia has interests, not only in combating the proliferation of WMD, but in reducing possible threats to our lines of communication between Europe and East Asia, and in seeing the continued flow of oil essential to our trading partners as well as to Australia itself.¹⁵
- 4.15 Australia recognises the consequences of economic and social disruption in the region, both as a humanitarian issue, and as it impacts more broadly upon Australia through refugee and other humanitarian issues. As DFAT indicated, Australia is also committed to providing responsive and efficient consular assistance to Australians resident and travelling in the region, and devotes substantial resources to that end.¹⁶

14 Defence, Transcript, pp. 44, 45.

15 DFAT, Transcript, p. 3.

16 *ibid.*

Australia's Defence Relationship with the Middle East

- 4.16 Australia has been an active contributor to the UN and other multinational peace monitoring and observer forces in the Middle East, including the Persian Gulf. Australia has committed personnel and resources to major operations and activities designed to strengthen regional security—such as the Multinational Force and Observers (MFO), the United Nations Truce Supervision Organisation (UNTSO) in southern Lebanon, Syria and Israel and the Multinational Interception Force (MIF) in the Persian Gulf. As DFAT explained, Australia maintains a level of defence cooperation in the Persian Gulf consistent with Australia's strategic interests. The ADF has repeatedly been deployed in the Middle East for several decades, some of these deployments being on a continuous basis.¹⁷
- 4.17 In combat, Australia made a major deployment to the Gulf ten years ago for Desert Shield and Desert Storm, and again in 1998 in Operation Pollard in support of Desert Thunder. Hence, some of these deployments have not just been peacekeeping but have had a hard combat edge.¹⁸
- 4.18 Peacekeeping operations, some of them for a long duration, can become demanding of the ADF, and even small operations can end up costing many millions of dollars over time:
- We never undertake peacekeeping operations that we wish to avoid. But successive governments have been keen to maintain the ADF contributions to a range of operations ...¹⁹
- 4.19 Also, opportunities for defence interaction of a more peaceable kind have been explored in training, defence exports and, particularly from Israel, defence imports. In Defence's view, these have made an important contribution to the shape of Australia's relationships with countries of the region.²⁰

Commitments to regional security

- 4.20 Australia's resource commitment to stability in the Middle East was outlined in submissions and other evidence from Defence.²¹ In summary,
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17 DFAT, Submission, p. 2446 and Transcript, p. 3.

18 Defence, Transcript, p. 45.

19 *ibid*, p. 46.

20 *ibid*, p. 45.

21 Defence, Submission, pp. 1651-60 and 2571-74; Transcript, pp. 53-54. Australia is currently committed to two peacekeeping operations in the region—MFO and UNTSO. Details of ADF resource commitments in the Middle East and total costs for the last decade were provided in Defence's supplementary submission (pp. 2573-74).

this commitment, with a total budget allocation worth \$254.3 million from mid 1990 to mid 2000, was as follows:

- MFO (Sinai). Australia was an original member of the multinational team established to oversee the Camp David Accords of September 1978, and the Egypt-Israel Peace Treaty of March 1979. Australia's direct contribution was made in two ADF deployments—from 1982 to 1986 and then from 1993. In total, 26 ADF personnel are currently deployed—an ADF officer at MFO headquarters in Rome and 25 ADF personnel at Force Headquarters El Gorah, Sinai;
- UNTSO (Israel, Jordan, Syria, Lebanon and Egypt). Since 1956, ADF personnel have been deployed as observers and reporters of the truce between Israel and neighbouring Arab states. Its mandate is constantly renewed by the UN. ADF officers are deployed as UN Military Observers in Jerusalem, the Golan Heights, southern Lebanon and Gaza.
- MIF (Persian Gulf). The MIF was established in August 1990 by UN Security Council Resolution 661 to enforce trade sanctions imposed on Iraq after its invasion of Kuwait. Up to October 1999, Royal Australian Navy ships made nine MIF deployments to the region, thereby gaining valuable experience in conjunction with Australia's allies in an operational environment.²² The MIF mainly comprises units from NATO and other countries allied to the US, although the majority of units are drawn from the US. Enforcement of UN sanctions against Iraq is maintained by a multinational naval force which patrols the Persian Gulf. At the height of the UN Security Council's divisions in January 2000 over nominations for the new weapons monitoring organisation for Iraq (United Nations Monitoring, Verification and Inspection Commission—UNMOVIC), Iran rejected the right and the necessity for western military forces to maintain a presence in the Persian Gulf region.²³
- United Nations Special Commission in Iraq (UNSCOM). The Special Commission was established at the end of the Gulf War to oversee the destruction of Iraq's WMD. The withdrawal in December 1998 ended the ADF's practical commitment to this operation. Approximately 113 ADF and Defence civilian personnel served with various inspection

22 Defence explained (Submission, p. 1652) that there is considerable value in: exposure to the latest communications and intelligence architectures; practice in advanced warfare skills; integration into an international maritime force; experience in command and control lessons relating to international rules of engagement; and maritime operations.

23 Reuters newswire, 20 January 2000, story no. 3230; *The Canberra Times*, 20 January 2000, p. 6.

missions, and Australian Richard Butler was appointed Executive Chairman of UNSCOM in 1996.

- Operation Pollard (Kuwait) was assembled in February 1998 in response to Iraq's refusal to allow UNSCOM inspectors access to Presidential sites. In support of the US-led coalition force, the ADF deployed a Special Air Service squadron, a Headquarters element and some specialist staff to Kuwait. ADF resources returned to Australia in mid-1998.
- Defence Science and Technology Organisation (DSTO) involvement in weapons monitoring. During the 1980s, DSTO resources were used in initial inspections carried out by the UN in response to Iran's claims that Iraq had used chemical weapons. From 1994, several DSTO and other Defence staff were involved in short-term biological weapons inspections for the Biological Monitoring Group within UNSCOM.

4.21 In terms of Australia's defence involvement with Israel, with the neighbouring Arab countries and the Persian Gulf states, Defence outlined Australia's current bilateral arrangements in written and oral evidence to the Committee. With Israel, for example, Australia's defence relationship is concentrated on commercial activities, principally the acquisition of high technology intelligence and defence matériel. Australia also has a very limited defence exports program to Israel.²⁴ Although Australia does not maintain formal defence relations with any of the 'Mediterranean' Arab states or the Palestinian Authority, limited exports of defence equipment to Middle Eastern countries have been made 'on a case-by-case basis', as illustrated in an annex to Defence's submission.²⁵ As well as interacting with host countries through UNTSO and MFO activities, the ADF has worked closely with Egyptian and Jordanian military forces in UN operations in East Timor.

4.22 With respect to the Persian Gulf region, its strategic location and oil production capacity mean that bilateral relations with Australia are important to Australia's longer-term national interests. According to Defence, Australia's bilateral defence relations have developed recently through residual goodwill arising from participation in the Gulf War, and in the enforcement of the UN sanctions against Iraq. This has led to provision of ADF training on a fee-for-service basis for most of the Persian

24 Defence, Submission, p. 1654. Israel provided the electronic support measures systems for the RAAF's Airborne Early Warning and Control aircraft and the interim electronic warfare pod for the F-11 aircraft (Defence, Transcript, p. 49).

25 Defence, Submission, Annex A 'Actual Controlled Defence Exports to the Middle East for the period 1995-1999', p. 1662.

Gulf states as well as the emergence of new markets for Australian defence industries.

- 4.23 With Kuwait, for example, Australia has evolved its closest regional defence ties and has almost completed negotiations for a Status of Forces Agreement to facilitate future deployment of ADF resources there as well as the training of Kuwait Defence Force personnel.²⁶
- 4.24 Defence informed the Committee that ADF training for Middle Eastern (and other) countries is constrained by the availability of spare capacity, resourcing issues, and Australia's prime focus on allies and partners in South-East Asia and the South-West Pacific—to the extent that additional training capacity is declining. Nevertheless, Defence indicated that the option of outsourcing some of the defence training to commercial providers was a viable alternative, which could provide opportunities for greater numbers of foreign students to participate in ADF-sponsored courses.²⁷

Recommendation 6

- 4.25 **The Committee recommends that the Department of Defence review its international engagement priorities in order to ensure that spare capacity in ADF courses, including those provided by commercial training organisations, is available in sufficient quantity to students from Middle East countries with which Australia has established close defence ties.**
- 4.26 In further evidence, Defence explained that not all of Australia's bilateral relationships include a military dimension, simply because in such instances there were as yet insufficient or unclarified mutual interests to be served by such arrangements.²⁸
- 4.27 In relation to development of defence export markets, the industry has been marketing to the Middle East region for approximately ten years, with export levels exceeding \$20.0 million annually in the past 12 months. As Defence explained, however, exports are not approved to countries against which the UN has imposed a mandatory arms embargo, to countries whose policies and interests conflict with Australia's strategic

26 More limited defence links have been established with the UAE, Bahrain, Oman and Qatar.

27 Defence, Submission, p. 1657.

28 Defence, Submission, pp. 1655-56 and Transcript, pp. 48 and 49.

interests, to governments which seriously violate human rights principles, or if the exports themselves would adversely affect Australia's military capacity.²⁹

- 4.28 With the aim of increasing export levels, Defence and Austrade supported the formation of the Australian Middle East Defence Exports Council (AMEDEC) in 1994, in conjunction with major industry members such as Australian Defence Industries, British Aerospace Systems, Thomson Marconi Sonar, Transfield and Vision Systems. Significant recent trade missions have included the International Defence Exhibition (IDEX) trade fairs in Abu Dhabi in 1997, 1999 and 2001. In Defence's view, Australia is well placed to expand its defence export activities in the Persian Gulf region.³⁰

Future Directions for Defence Relations in the Region

- 4.29 In broad terms, Australia's defence interests will continue to be guided by its core strategic focus on the Asia-Pacific. This will place limitations on the emphasis and level of interactions sought with the Middle East.³¹
- 4.30 According to Defence, forecasting the ADF's future operational requirements in the Middle East is almost impossible. However, the Committee agrees with Defence's assessment that any future commitment 'should have a clearly-defined purpose and [should seek] a specific return based upon enhancing our key strategic interests in the region'.³²
- 4.31 The Committee acknowledges that Australia has maintained a significant strategic involvement in the Middle East over many decades, and has contributed substantially to the security and stability of the region. ADF deployments have provided a visible Australian contribution, both within particular host countries and throughout the region as a whole. The various deployments have also provided valuable training for the ADF personnel involved.
- 4.32 Defence informed the Committee that there was currently no Defence representation actually based in the region, the present representative being the Defence Attaché in Rome, who is accredited (without residential status) to Israel. Formerly, representation in the Persian Gulf region was covered by the Defence Attaché in Islamabad who had non-residential

29 Defence, Submission, p. 1659.

30 Defence, Submission, p. 1658.

31 See Department of Defence public discussion paper, *Defence Review 2000 - Our Future Defence Force*, June 2000, pp. 10-11, 16. Defence, Submission p. 1661 and Transcript, p. 47.

32 Defence, Submission, p. 1653.

accreditation to Saudi Arabia, Kuwait and the UAE. However in the wake of the nuclear tests by India and Pakistan, the Attaché was recalled.³³ In subsequent evidence, Defence commented that, in recalling the Defence representative in Pakistan, Australia had 'lost a convenient and inexpensive way of maintaining a degree of Defence presence amongst the Gulf states'.³⁴

- 4.33 The Committee recognises that maintaining a Defence presence in the region is expensive, and that there are also heavy demands for representation closer to home. It is nevertheless surprising that there is currently no resident Australian Defence representative in the region, given its strategic importance and the long-standing and visible contribution made by ADF personnel in support of international peacekeeping and monitoring operations in various parts of the Middle East.

Recommendation 7

- 4.34 **The Committee recommends that Defence representation in the Middle East (including the Persian Gulf region) be reviewed in order to provide a resident source of information and advice relating to regional security issues and Australia's contribution to current and future international peacekeeping and monitoring operations.**

Destabilising Influences in the Region

- 4.35 Throughout the inquiry, the Committee was very conscious of the impact of a number of destabilising influences operating in the region. These influences not only work against achieving a lasting peace settlement but also have profound impacts on the way the world perceives the region and responds to its sometimes bewildering diversity and volatility.
- 4.36 The main destabilising influences affecting the region which were brought to the Committee's attention were:
- terrorism and violence;
 - arms sales and weapons of mass destruction (WMD);

33 Defence, Submission, p. 1660.

34 Defence, Transcript, p. 46.

- poverty and other economic pressures;
- rapid population increases and other social pressures.

Terrorism and violence

4.37 Defining 'terrorism' is not a simple matter, particularly for parties to the conflict. Violent actions taken in the name of both sides in the Arab-Israeli conflict have been viewed completely differently by the opposing parties. What one side labels 'terrorism', the other considers justifiable, and the cycle of retaliation continues to claim the lives of innocent civilians as well as extreme political activists.

4.38 The growing prominence of the global debate on 'terrorism', however, belies the absence of virtually any consensus on a precise definition. For example, a journal article published by the Institute for Palestine Studies (Washington DC) maintained that terrorism is generally understood to be a form of politically-inspired violence that is distinguishable in some manner from conventional warfare. A working definition proposed in the article described terrorism as 'the attempt to alter the policies of a state or non-state actor through the use or threat of violence against its civilian constituency'. The same article cited the April 1996 clash between Israel and Hezbollah to underscore the stark reality of terrorism becoming an 'acceptable' substitute for conventional warfare. That particular seventeen-day conflict had the dubious honour of being the only recorded occasion when both combatants relied almost exclusively on terrorist operations against civilian populations in the pursuit of their strategic objectives:

The centrality of terrorism to political conflict in the Middle East has tremendous implications for the study of international relations. Terrorism undoubtedly constitutes the paramount security threat faced by many Middle Eastern states.³⁵

4.39 In testimony before the US Senate Foreign Relations Committee in 1999, Ambassador Michael Sheehan, the State Department's coordinator for counter-terrorism, indicated that state sponsorship of Middle East terrorism had declined since the 1970s and 1980s, when the governments of Syria, Libya and Iran played a prominent role in supporting and directing the activities of terrorist groups as well as carrying out terrorist attacks themselves, using state security or intelligence personnel:

35 *Journal of Palestine Studies*, Vol. xxviii, No. 1, Autumn 1998, Issue 109, 'The Balance of Terror - War by Other Means in the Contemporary Middle East'. The Institute's website address is: www.ipsjps.org.

Make no mistake ... Iran remains an active state sponsor, and Syria, Libya and Iraq remain on our list because they provide safe haven and material support to terrorist groups. But their direct sponsorship of terrorist acts has diminished. ... Afghanistan has become a new safe haven for terrorist groups. In addition to bin-Laden and al-Qa'ida, the Taliban plays host to members of the Egyptian Islamic Jihad, the Algerian Armed Islamic group, Kashmiri separatists, and a number of militant organisations from central Asia ...³⁶

- 4.40 Ambassador Sheehan's evidence to the Senate Committee included reference to two Jewish extremist groups—Kach and Kahane Chai—with a number of organisations in the 'list of foreign terrorist organisations' which have not carried out an overt terrorist act in recent years, but have continued 'to recruit, train, equip and plan for terrorism'.³⁷
- 4.41 In recent months, Islamic Jihad and Hamas have claimed responsibility for suicide attacks and car bombs in the Occupied Territories and in Israel. Media reports suggested that US envoy William Burns had received a pledge that Israel would exercise restraint in response to the attacks, following Mr Kofi Annan's earlier condemnation of 'the disproportionate Israeli response to [an] appalling terrorist attack in Netanya' just north of Tel Aviv on 18 May, which killed the terrorist and six other people and wounded 110. Mr Burns urged President Arafat to do everything possible to stop the violence against civilians.³⁸
- 4.42 Even beyond the immediate Middle East region, terrorism has links to the Arab-Israeli conflict. Resentment of US influence in the Middle East and elsewhere led to a series of terrorist attacks on US embassies in east Africa and against the World Trade Centre during the 1990s. Osama bin Laden, the exiled Saudi Arabian millionaire taking refuge in Taliban-controlled Afghanistan, has been named as the suspected head of the al-Qa'ida terrorist organisation in US State Department reports and in its world-wide warnings to American citizens.³⁹

36 Testimony cited in an article published by *Middle East Quarterly*, Vol. vii, No. 1, March 2000, 'Is Middle East Terrorism Waning?', pp. 89-92. Mr Sheehan cited several Middle East organisations against which his bureau had collected strong evidence of direct involvement in terrorist attacks during the previous two years—Hamas, Hezbollah, the Palestinian Islamic Jihad, the Egyptian Islamic Jihad, the Popular Front for the Liberation of Palestine General Command, and the Algerian Armed Islamic group.

37 *Ibid.*, p. 91.

38 *The Sunday Age*, 20 May 2001, p.17; AFP newswire, 25 and 30 May 2001 (story nos. 2623, 8287); Reuters newswire, 28 May 2001, story no. 4185.

39 US Department of State, Public Announcement, 'Worldwide Caution', 29 May 2001, published at the State Department's website: www.state.gov (at 31 May 2001). Media reports in mid-June

- 4.43 In June 2001, US military forces in the Persian Gulf region were placed on the highest state of alert in response to an anticipated threat of attack by anti-American guerrillas linked to bin-Laden. US warships in Bahrain were ordered to sea, and a US marine corps training exercise in Jordan was curtailed for security reasons. Global warnings to US travellers cited the indictment of 14 people on charges relating to the 1996 bombing of a US military housing complex in Saudi Arabia.⁴⁰

Escalation of violence: the 'al-Aqsa Intifada'

- 4.44 A major escalation of the fighting between Israeli security forces and Palestinians in Gaza and the West Bank was reported during the early months of 2001, with heavy Palestinian loss of life. In May, Israeli helicopters and gunships attacked Palestinian security bases along the length of the Gaza Strip, in retaliation for continued Palestinian attacks. Palestinian sources reported 15 wounded in the attacks. In the West Bank, five paramilitary Palestinian policemen at a security checkpoint close to the Jewish settlement of Gush Katif near Ramallah were killed in a clash with Israeli soldiers.⁴¹ In other reports, Israel rejected criticism by the Mitchell Commission, the UN Secretary-General and Gulf Cooperation Council leaders of the IDF's use of lethal force against unarmed and lightly-armed Palestinians.⁴²
- 4.45 During the same period, Palestinian gunmen opened fire on the Jewish settlement of Gilo near Jerusalem, and tens of thousands of Palestinians were reported to have marched through Ramallah behind the bodies of the five policemen previously mentioned. Israeli forces were placed on high alert for the anniversary of what Palestinians refer to as 'al-Nakba' or Great Catastrophe, marking the mass exodus of Palestinians from former British-mandate Palestine in the 1948-49 Arab-Israeli war. US Secretary of State Colin Powell, and the UN Secretary-General, have consistently expressed alarm over the continuing upsurge in the cycle of violence.⁴³

2001 revealed that Indian police had arrested a third person in connection with an alleged plan by bin-Laden supporters to bomb the US Embassy in New Delhi (AFP newswire, 17 June 2001).

40 Media reports on 24 June 2001: *The Sunday Mail*, p. 38; *The Sunday Age*, p. 13; *Sunday Herald Sun*, p.45; Reuters newswire, 25 June 2001 (story no. 3156).

41 Widely reported in the Australian media; for example, *The Australian*, 15 May 2001, p. 7 and AAP newswire, 15 May 2001, story no. 6158.

42 *The Australian*, 15 May 2001, p. 7 and AFP/Reuters newswires, 15 May 2001 (story nos. 6274, 6228).

43 *The Australian*, p. 7 and AAP newswire, story no. 6274, 15 May 2001.

4.46 Australia has added its voice to the chorus of international condemnation of violence in the Middle East. In welcoming the release of the Mitchell Report, Foreign Minister Downer urged all sides to take immediate steps to implement the report's recommendations. He added:

We are encouraged ... at the announcement of a unilateral ceasefire by the Israeli Prime Minister, Mr Sharon, and we urge the Palestinian Authority to reciprocate this initiative. ... Without immediate and significant efforts by all sides, it will be very difficult to rebuild the trust and mutual confidence upon which a negotiated settlement must be constructed. There can be no winners from a continuation of the present violence.⁴⁴

4.47 In the worst suicide bomb attack in Israel since 1997, an explosion in Tel Aviv on 1 June 2001 killed 20 civilians and the bomber and injured almost 100 people. Israeli officials blamed Mr Arafat and the PA. The terrorist bombing occurred during the unilateral Israeli cease-fire declared in response to the Mitchell report. The Speaker of the Palestinian Legislative Council, Ahmad Qurei, denied the claim that Mr Arafat should have done more to prevent the attack by controlling extremist elements. He was reported as saying:

We have said time and again that we are against killing civilians, whether they are Israelis or Palestinians.⁴⁵

4.48 Israel held Mr Arafat and the PA responsible for the killings, and demanded an immediate ceasefire on the Palestinian side to match its own earlier unilateral declaration. The German Foreign Minister, Joschka Fischer, added pressure to Mr Arafat by threatening to cut the flow of aid to the PA unless Mr Arafat committed himself to a truce. Mr Arafat was reported finally to have ordered his security forces to take 'practical, direct, urgent and immediate action' to give effect to a cease-fire, but at the time of writing there had been no announcement by the PA of its intentions regarding identification of those responsible for the bomb attack.⁴⁶ However, some media reports claimed the armed wing of Hamas had issued a statement claiming responsibility and threatening to continue acts of martyrdom until all the rights of Palestinians have been restored. The Israeli cabinet approved a series of very firm measures against the Palestinians in response to the Tel Aviv killings, including banning fuel

44 Hon Alexander Downer MP, media release FA64, 25 May 2001.

45 Reuters and AFP newswires, 2 June 2001 (story nos. 2928, 2932, 2934).

46 *The Australian*, 4 June 2001, p. 10; Information Division, Israeli Foreign Ministry, Jerusalem, 'Political-Security Cabinet Communique', 2 June 2001.

supplies, sealing the borders and shutting down the Gaza international airport.⁴⁷

Tensions to the north of Israel

4.49 Meanwhile, although Syria's press likes to paint Hezbollah as an independent resistance movement, the tightly-disciplined militia, drawn from the third of Lebanese who are Shias, draws its support from fellow Shias in Iran,⁴⁸ with assistance from Syria to maintain the supply lines. In return, Hezbollah stokes border tensions in order to demonstrate that, as long as Israel remains in occupation of Syria's Golan Heights, it will continue to attack Israeli positions. Further tensions in Lebanon are continuing to emerge through growing Lebanese impatience at the continued occupation by the Syrian army, which still maintains around 30,000 soldiers as a 'protection force' in Lebanon.⁴⁹

4.50 The Israeli withdrawal from southern Lebanon was completed unilaterally in March last year, accompanied by the rapid disintegration of the Israeli-allied South Lebanon Army (SLA). As DFAT indicated in September 2000:

We have been fortunate that the worst case scenarios for cross-border violence and retribution against former members of the SLA have not been realised. While the situation on the ground has been relatively calm, however, we cannot say with real certainty that the situation is now stable.⁵⁰

An Australian perspective

4.51 Within Australia and in international forums, the Government has consistently condemned terrorism in all its forms in the context of the Middle East conflict.⁵¹ Appendix 9 of DFAT's submission to the Committee provided useful background on Australia's view of politically-motivated violence and trends in international terrorism.⁵²

4.52 In the Australian Parliament, bipartisan support has consistently been expressed for negotiation by the parties and condemnation of terrorism.

47 *The Sydney Morning Herald*, 4 June 2001, p. 11; *The Canberra Times*, 5 June 2001, p. 6. More recent media reports have noted that Vice President Cheney and Colin Powell have expressed diverging views on Israel's stated policy of targeting suspected Palestinian terrorists in the Occupied Territories (*The Sydney Morning Herald*, 4 August 2001, p. 15).

48 Although Iran is predominantly Muslim, its ethnic source is mainly Persian, not Arab.

49 *The Economist*, 'The curse of strong friends', 21 April 2001, p. 40.

50 DFAT, Submission, p. 2446. See also Transcript, p. 350.

51 DFAT, Submission, p. 966 and Appendix 8 (p.1057) and Transcript, p. 364.

52 DFAT, Submission, pp. 1061-62.

- 4.53 Submissions from various sectors of the Australian Arab community were highly critical of what they perceived as bias in the way Australian leaders and the community generally consider terrorism to be predominantly an Arab/Palestinian weapon. Mr Kazak, for example, cited examples of right-wing Jewish groups past and present (including extremist settler groups) who, in his view, had not been sufficiently recognised in Australia's official commentaries as perpetrators of terrorism. Similar views were presented in evidence from Deir Yassin Remembered Australia, the Arab Australian Action Network, and the Australian Arabic Communities Council.⁵³
- 4.54 The Committee wishes to state clearly that the use of politically-motivated violence—including terrorism—in any form by any parties in the Middle East conflict has already contributed to an almost total derailment of the peace process, particularly on the Israeli-Palestinian track.
- 4.55 Immense effort must now be made by all the parties and the international community to bring about a return to negotiation as opposed to direct action and violence. Australia can help by ensuring that its own official public statements condemning violence in all its forms continue to be framed in terms that clearly apply to all the parties in conflict. The recent escalation of the violence has only served to emphasise that requirement.

Recommendation 8

- 4.56 **The Committee recommends that all Australian political and official public statements condemning terrorism and violence in the context of the Middle East conflict continue to be framed in terms which clearly apply to all the parties in conflict.**

Arms Spending

- 4.57 The protracted Arab-Israeli conflict is only one component of the region's instability, with strong demand in the region for military weapons continuing to increase tensions. American, European and Russian defence industries are increasingly dependent on arms exports to maintain production levels.

53 Submission No. 40a, pp. 2319-20; see also Mr Asem Judeh, Submission, pp. 1219-21; Arab Australian Action Network, Submission, pp. 316-17; Australian Arabic Communities Council, Submission, p.1134.

- 4.58 The Middle East is a prime sales target, notwithstanding the shift in regional emphasis from large standing armies towards ballistic and cruise missile technology procurement. International defence analysts have anticipated that Iran, Israel and Turkey—the three non-Arab military powers in the region—are likely to be the most influential players in the future, as they all have sizeable defence industries.
- 4.59 Iran, which—with Russian, North Korean and other assistance—is developing a missile-manufacturing capability, is viewed with considerable alarm in the region, and well beyond it. The Islamic republic has been concentrating on its ballistic missile program, the Shehab-3, with a range of 1,3000 km and a more advanced model, the Shehab-4. These weapons would be able to strike targets anywhere in the Gulf, Israel and eventually southern Europe. Financial constraints and international arms embargoes have blocked Iran's modernisation efforts which began at the end of the Iran-Iraq war.⁵⁴
- 4.60 Israel, the dominant military power in the region, has weapons programs ranging from new tanks to a multi-layered missile defence shield. Among the most important decisions that have been made, was the reported creation of a strategic command to counter long-range threats from states such as Iran and Iraq. In Syria, where weapons acquisitions virtually halted with the collapse of the Soviet Union, the navy is rapidly becoming obsolete and the land forces do not possess advanced weapons systems, although Israel still views Syria's ballistic missile arsenal as a serious threat.⁵⁵
- 4.61 The UAE is currently midway through a 10-year arms procurement and modernisation program under which it plans to acquire equipment worth US\$15.0 billion by 2005. Kuwait has largely rebuilt its armed forces, which were shattered by Iraq's invasion.⁵⁶

Weapons of Mass Destruction

- 4.62 The security outlook for any region is greatly influenced by the extent to which it can restrict the proliferation of WMD—a generic term used to describe biological, chemical and nuclear weapons—and their delivery
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54 *Jane's International Defense Review*, Vol. 33, November 2000, pp. 28, 35.

55 *ibid*, p. 35.

56 *ibid*, p. 33.

systems. This security concern is particularly true for the Middle East, since the possession of such weapons in a region of endemic tensions invariably magnifies the degree of instability as well as the potential consequences of any armed conflict.⁵⁷

- 4.63 The international community's efforts to limit the spread of WMD have centred on the negotiation, conclusion and implementation of globally binding and verifiable treaty regimes. Those regimes either ban the relevant class of WMD, as in the case of chemical and biological weapons, or seek to prevent their spread and to achieve their eventual elimination—as is the case for nuclear weapons. DFAT indicated in evidence that security in the entire Middle East would be enhanced considerably by universal participation in these international arms control regimes. Efforts to address proliferation problems in the Middle East have therefore centred mainly on ensuring that all regional states have joined the relevant weapons treaties.⁵⁸

Nuclear weapons

- 4.64 From the outset of the nuclear era, non-proliferation of nuclear weapons has been an objective of the highest priority. The almost universal adherence to the non-proliferation regime has been possible because of the realisation by the overwhelming majority of states that their security interests would not be furthered by the acquisition of nuclear weapons. Hence most states have joined the Nuclear Non-Proliferation Treaty (NPT) as non-nuclear weapon states, and have accepted comprehensive safeguards promulgated by the International Atomic Energy Agency (IAEA). These safeguards are currently being strengthened by the introduction of the Additional Protocol and related measures. While the political commitment against proliferation has been the decisive factor, curbing nuclear proliferation has also been helped by the relatively limited spread of proliferation-sensitive technologies (enrichment and reprocessing) and the limited availability in civil programs of weapons-grade nuclear materials.⁵⁹
- 4.65 The NPT, with its 187 signatory parties, is without doubt the single most important agreement underpinning global peace and security. At the present time, there are only four states which are not members of the NPT regime: India, Pakistan, Cuba and Israel.

57 DFAT, Submission, p. 969.

58 DFAT, Submission, p. 970.

59 Australian Safeguards and Non-Proliferation Office website: www.asno.dfat.gov.au/nuclear_safeguards.html (at 4 June 2001).

- 4.66 The NPT's direct relevance to the Middle East was demonstrated through the 'Resolution on the Middle East' adopted as part of the agreement reached in the context of the indefinite extension of the NPT in 1995. Australia shares the concern expressed in the Resolution about the presence of unsafeguarded nuclear facilities in the Middle East, and urges their placement under 'fullscope' IAEA safeguards as soon as possible.⁶⁰
- 4.67 While much of the world's attention has been focused on Iraq and its WMD capability, little is known for example of Israel's nuclear capabilities. DFAT stated that Australia has a long-standing position of not commenting on concerns about WMD programs of any country by name. However, at the NPT conference in April-May 2000, the conference members called upon Israel (and the other non-signatories) by name to join the NPT.⁶¹ It is interesting to note that the first public debate in Israel of its top-secret nuclear weapons capability occurred in the parliament in February 2000, when an Arab legislator, Mr Issam Mahoul, asserted that Israel had 300 nuclear warheads, and reminded the legislature of the disclosures by Mr Mordechai Vanunu to the London *Sunday Times* in 1986.⁶²
- 4.68 Successive Australian governments have made the assessment that international arms control instruments, in particular the NPT, when adhered to universally and supported by effective verification regimes, offer significant international security protection. In DFAT's view, Australia's participation in verifiable, global disarmament mechanisms has played a significant role in keeping WMD out of our own region.⁶³
- 4.69 Australia has consistently supported UNGA resolutions calling for the establishment of a nuclear weapon-free zone in the Middle East and expressing concern about the risk of nuclear proliferation in that region.⁶⁴ Australia does not believe that the existence of 'special security concerns' by Israel and many other countries around the world, including other non-members of the NPT, should prevent them becoming members of the NPT. Transparency and universality of international anti-proliferation

60 The 'Final Document of the 2000 NPT Review Conference' called upon the four states by name to accede to the NPT as non nuclear-weapon states, promptly and without condition, and to bring into force the required comprehensive safeguard agreements, together with Additional Protocols on IAEA strengthened safeguards. (DFAT, Submission, pp. 970, 2490).

61 DFAT, Transcript, p. 365.

62 Reported by AFP newswire, 3 February 2000, story no. 5051.

63 DFAT, Submission, p. 970.

64 *ibid.*

regimes has been seen as the antidote to covert and ambiguous WMD programs.⁶⁵

4.70 The Committee welcomes Foreign Minister Downer's speech to the 2000 Review Conference of the NPT, which identified Cuba, India, Israel and Pakistan as non-members. On that occasion, Mr Downer added:

Universal adherence to the NPT remains an urgent priority. We encourage those yet to join the treaty to do so at the earliest opportunity. Those already in the treaty can support its objectives by maintaining the strongest possible commitment and vigilance against nuclear proliferation.⁶⁶

4.71 As a further step towards reducing tensions in the Middle East, the prospect of a Fissile Material Cut-off Treaty was mentioned in evidence from DFAT. In addition to offering broad non-proliferation and disarmament benefits, such a Treaty would have the potential to build confidence in the region if all states were party to it. Even those states which, because of their regional security concerns, have not acceded to the NPT would be given a degree of assurance about commitment to international efforts to enhance regional and therefore global security.⁶⁷

4.72 Australia's advocacy role in arms control and disarmament has been maintained in support of a number of international initiatives:

- entry-into-force of the Comprehensive Test-Ban Treaty (CTBT);
- commencement of negotiations for a Fissile Material Cut-off Treaty;
- promotion of a 'Code of Conduct' for the prevention of missile proliferation; and
- an international 'Program of Action' to combat the illicit trade in small arms.⁶⁸

Chemical and biological weapons

4.73 The Middle East's continuing turbulence also raises the spectre of proliferation of chemical and biological weapons. The international instruments for control of these weapons are the Chemical Weapons Convention (CWC) and the Biological Weapons Convention (BWC). Iraq

65 DFAT, Submission, pp. 2489-90.

66 Hon Alexander Downer MP, 25 April 2000. See also Downer's media release FA54 of 22 May 2000, which outlined Australia's co-authorship (with Japan) of proposals on further measures to implement the NPT.

67 DFAT, Submission, p. 971.

68 Hon Alexander Downer MP, media releases FA55 and FA61, 8 and 22 May 2001, respectively.

is known to have had offensive chemical and biological weapons programs, the full extent of which were hidden from international scrutiny. Iran declared its former chemical weapons program (developed during the Iran-Iraq war) before ratifying the CWC.

- 4.74 A number of Middle Eastern states have neither signed nor ratified the CWC. Those states are Egypt, Libya and Syria. Israel, the UAE and Yemen have signed the CWC but not yet ratified it. Egypt and Syria have signed but not yet ratified the BWC, which Israel has neither signed nor ratified.
- 4.75 Australia strongly encourages those states which are not yet parties to the CWC and BWC to accede to those Conventions. While the entry into force of the BWC in 1975 established an international consensus against biological weapons, the treaty does not have a verification mechanism. Australia plays an active role in the Ad Hoc Group negotiating a verification Protocol, and is Vice-Chair of the negotiations.⁶⁹ The UN Security Council is the ultimate authority for dealing with breaches of international peace and security, including breaches of actual disarmament agreements.
- 4.76 The Committee notes that Australia hosted a regional workshop and symposium on 'Cooperation in the Peaceful Uses of Chemistry Under the CWC' in Canberra in April/May 2001 in conjunction with the Organisation for the Prohibition of Chemical Weapons and the Royal Australian Chemical Institute.⁷⁰
- 4.77 Further demonstration of Australia's contribution to promotion of arms control and disarmament mechanisms was provided by assuming the presidency in December 2001 of the five-yearly Review Conference for the Inhumane Weapons Convention.⁷¹
- 4.78 A schedule summarising the Middle East countries which have signed or ratified the NPT, CWC and BWC is provided at Appendix E.

Conclusions on WMD as destabilising influences

- 4.79 Australia's record of support for international efforts to curb the threat and proliferation of WMD in our own region and beyond reflects a consistent desire to make a contribution to defusing world tensions. As a responsible member of the international community, Australia has been

69 *ibid*; see also media release FA21, Hon Alexander Downer MP, 27 March 2000.

70 Hon Alexander Downer MP, media release FA52, 30 April 2001.

71 Hon Alexander Downer MP, media release FA61, 22 May 2001.

prominent in negotiations for enforcement of international weapons agreements such as the CWC and the BWC, in addition to convening the Australia Group and meetings of the National Consultative Committee on Peace and Disarmament (NCCPD). Originally convened in 1985, the NCCPD is the main consultative forum between the Government, the Parliament and the community on peace and disarmament issues.

- 4.80 In an era of rapid advances in the field of biotechnology, it is now easier than ever to develop, produce and conceal biological weapons. A robust verification Protocol will advance global security and ensure that Australia's involvement in the BWC pays security dividends, both globally and for Australia as well. Similar conclusions may be drawn in relation to the CWC.

Missiles

- 4.81 Not only the proliferation of WMD but the spread of delivery systems capable of carrying them is a further destabilising factor in any region. DFAT expressed Australia's concern that a number of Middle Eastern countries (Iran in particular) are developing or are in the market for ballistic missiles. Because of their reach and ability to deliver a WMD payload, these systems have the potential to reduce dramatically the security of the whole region. Australia has called on all countries in the region to exercise restraint in the development and testing of ballistic missiles, and to apply strict export controls on such technology.⁷²

Verification Mechanisms

- 4.82 The establishment of international arms control instruments alone is but one step. Making those instruments truly effective mechanisms for international stability and peaceful co-existence is another matter.
- 4.83 Establishing effective verification mechanisms raises immense difficulties. Iraq presents a unique case of international intervention to combat the threat of WMD in the Middle East. In the aftermath of the Gulf War, the extent of Iraq's clandestine attempts to develop multiple WMD capabilities led to the formation of UNSCOM (and now UNMOVIC) to eliminate such programs in Iraq. However, Iraq was a state party to the NPT and the BWC while pursuing secret nuclear and biological weapons programs, as DFAT confirmed in evidence:

72 *ibid.*

... it is a very difficult and complex thing in terms of being sure that countries are not pursuing [WMD] programs. Iraq, again, was a member of the Biological Weapons Convention and yet had developed biological weapons. ... But of course in the case of biological weapons, there is no verification mechanism in place yet. The Chemical Weapons Convention has a verification mechanism but it is a much more recent agreement, and Iraq is not party to it. Iraq ... is the only country in the region to have actually used such weapons, which puts it in a more specific position.⁷³

- 4.84 As Defence stated in evidence, the presence of WMD in the Middle East is already an acute destabilising factor, and the potential for further proliferation is very real. Efforts to prevent both 'horizontal' and 'vertical' proliferation are necessary to maintain regional balance:⁷⁴

Measures to eliminate WMD benefit Australia because they make Australia more secure by removing potential threats not only to our national territory, but also to that of the Asia-Pacific and beyond. In that respect, Australia is committed to ensuring Iraq complies with UN Security Council resolutions relating to the dismantling of its WMD capabilities. The involvement of both the ADF and the Defence Science and Technology Organisation personnel in [UNSCOM operations] exemplifies our support for initiatives to counter WMD in the Middle East.⁷⁵

- 4.85 Australia's support for international disarmament is complemented at a practical level by export control arrangements such as the Australia Group, the Nuclear Suppliers Group and the Missile Technology Control Regime. These groups place strict controls on the transfer of dual-use technology, which could be used in the production of WMD and ballistic and cruise missiles. Australia played a prominent part in the international community's negotiations on the CWC and BWC protocols, as well as convening the additional control mechanism of the Australia Group.⁷⁶
- 4.86 In May 2001, Foreign Minister Downer signalled that Australia would use its alliance with the US on the proposed US anti-missile shield to bolster negotiations with the US on the Nuclear Non-Proliferation Treaty and the

73 DFAT, Transcript, p. 366.

74 In this context, 'horizontal' refers to distribution from one country to another; 'vertical' refers to production capability advances within a particular country.

75 Defence, Submission, p. 1650.

76 DFAT, Submission, p. 970; Dr Rod Barton, Submission, p. 144.

CTBT which the US has not yet ratified. Australia stood almost alone with India in its strong support for the anti-missile shield.⁷⁷

- 4.87 The Committee acknowledges Australia's prominent advocacy role in seeking the establishment of effective verification mechanisms for international arms control and disarmament agreements.

Recommendation 9

- 4.88 **The Committee recommends that the Australian Government pursue all available avenues to achieve greater universal application of effective verification mechanisms for international arms control and disarmament in relation to the Middle East, as well as our own region.**

Political and Economic Factors

- 4.89 Apart from the impact of the threat of proliferation of weapons in the Middle East, there are political, social and economic factors which could also bring profound changes to stability in the region (and potential sources of friction) in the coming decades. These factors include the relentless globalisation process, the ever-present water resources issue and rapid population growth in all Arab countries and Iran.⁷⁸
- 4.90 To many analysts, the most destabilising influences in the Middle East today are poverty, illiteracy and the consequential helplessness that breeds intense dissatisfaction and a resort to desperate remedies. In a personal view expressed after a private visit sponsored by the Australian Palestinian community in 1998 to Israel and the occupied territories, one of the five federal MP delegates, JSCFADT member Mr Peter Nugent MP, commented on poverty and rising anger among Palestinians:

It would seem to me ... that if you keep a people downtrodden, effectively poor, with minimal political representation and little prospect of improving their lot, and then at the same time gradually, piece by piece, take over their property and their land, you are going to give them no option. They [the Palestinians] are

77 *The Sydney Morning Herald*, 14 May 2001, p. 10 reporting Nine Network's 'Sunday' program on 13 May 2001; *The Australian Financial Review*, 7 May 2001, p. 11.

78 DFAT, Submission, pp. 963-64.

just going to give up in despair and the young hotheads are going to indulge in things you might call terrorism.⁷⁹

- 4.91 Very similar points were made in submissions from the Arab Australian Action Network and the Australian Arabic Communities Council, among others.

Water resources issues

- 4.92 Water is the most precious commodity in a region that is predominantly arid, and access to water supplies is a profound concern for most Middle East countries. Several of them depend heavily on water that originates in another state's territory, most notably Egypt, where more than 95 per cent of its water comes from outside its own borders. As another example, Turkey may become increasingly powerful in the region as a result of its control of the Euphrates and Tigris rivers which flow through Syria and Iraq. Throughout the 1990s, the dispute over the Euphrates was a key factor behind Syria's support for the Kurdish Workers' Party (PKK) and, in 1998, it was only the threat of military action by Turkey that forced Damascus to expel the PKK leader, Abdullah Ocalan.
- 4.93 However, for all the discussion about conflict over water, cooperation has in fact been quite common, even among countries that deeply dislike and distrust one another. Some analysts would even suggest that where water has been the most scarce—in the Jordan River basin and the Arabian Peninsula—cooperation has been greatest.⁸⁰ Others, however, are adamant that water is an obvious source of conflict in Gaza and the West Bank.⁸¹ The Committee agrees that history has shown that access to scarce water supplies in a region such as the Middle East will always have the potential to generate and exacerbate conflict.

Political succession in the region

- 4.94 The lines of succession in several pivotal states in the Middle East have raised significant issues for regional stability. In Jordan and Morocco, the sons of King Hussein and King Hussan ascended thrones which trace their lineage and their legitimacy back to the prophet Mohammed. In Saudi Arabia, Crown Prince Abdullah has been the effective ruler since his half-

79 *The Sydney Morning Herald*, 'Palestinian hardship linked to Terrorism, Australian MP Warns', 11 May 1998, p. 8; *The Age*, 11 May 1998, p. A10. These articles were cited in the submission from Mr Asem Judeh, Deir Yassin Remembered Australia (Submissions Vol. 6, p. 1353.).

80 'Reflections on Water, *Middle East Quarterly*, op. cit., p. 74.

81 Mr Ali Kazak, citing 'Israeli Pillage of Palestinian Water Resources: A Brief Study on Israeli Theft of Palestinian Water 1967-1999', November 1999 (Submissions, pp. 416-427).

brother King Fahd became seriously incapacitated in 1998. The eventual succession could be problematical, due to the existence of various factions within the royal family.⁸²

- 4.95 While hereditary succession has generally been applied to the monarchies of the region, this had not been the case in the largely authoritarian republics until the succession of President Bashar Assad following the death of his father in June 2000. It would seem that other regional republican rulers might also be preparing for a type of 'dynastic' system of succession, among them Presidents Mubarak in Egypt, Saleh in Yemen, Gadhafi in Libya and Saddam in Iraq. These developments could sow the seeds of significant internal tensions at a time when the pressures for political reform are in some cases intensifying.⁸³
- 4.96 As mentioned elsewhere in this report, political changes in Israel following the departure of Mr Barak and the election of Mr Sharon have had profound effects on Israel's relations with its Arab neighbours and the Israeli-Palestinian conflict in particular. Israel's mixed responses to the Mitchell Commission's report on violence in the occupied territories, notably on the settlements and bypass roads, could be said to have revealed significant differences within the Unity Government on its approach to the Palestinian issue.⁸⁴
- 4.97 Bahrain is one Emirate which has avoided tensions created through the succession of brothers in a ruling dynasty by enshrining the principle of primogeniture. Other Middle Eastern monarchies have followed the path taken by Jordan, in which the ruling monarch appoints his successor. In an unusual development, Sultan Qaboos of Oman has set up a procedure to find a successor, given the circumstance that he is childless.
- 4.98 An interesting view of dynastic politics in the Middle East was expressed recently in *The Economist*:

Yet dynastic politics have functioned surprisingly smoothly most of the time. A majority of Arab nations remain fragile polities where loyalty is prized above ability, and the patriarchal family is the strongest state institution. In the case of Arab monarchies, this may be because no others have been allowed to develop; in

82 *The Economist*, 2 June 2001, p. 46; *SBS World Guide*, 8th edition, pp.648-49 ; *Jane's International Defense Review*, op. cit., p. 29.

83 *Jane's International Defense Review*, op. cit.' p. 29; DFAT, Submission, p. 2447; 'Middle Eastern Dynasties', *The Economist*, 2 June 2001, p. 45-46.

84 For example, see *The Economist*, 26 May 2001, p. 49.

republics, because other institutions have been systematically undermined.⁸⁵

- 4.99 The next chapter examines the response of the UN and the broader international community to the protracted conflict and instability in the Middle East, as well as Australia's contribution in that context. Particular reference is made to the international sanctions regime imposed on Iraq.