No one has been more conscious than Israel and its friends that the Middle East is a tinder box capable of igniting at any time. No country has argued more consistently than Israel that the most immediate likely cause of that ignition would be a naked act of aggression by one or other of the authoritarian Arab regimes in that region. And no country has been more consistently sceptical than Israel about the willingness of the PLO to make peace, and live in peace, with all its Middle East neighbours.

Now the Middle East tinder box is closer to ignition point than it has been for decades - as a result of the naked and indefensible aggression of Saddam Hussein's Iraq against Kuwait; the fear that, unless checked, that aggression would extend to Saudi Arabia as well; the dramatic build-up of US and international forces (including those of the moderate Arab nations) in response both to that aggression and that fear; the growing stress and tension within Iraq as a result of the unprecedented, and unprecedently tight, sanctions squeeze now being imposed; the attempt by Saddam Hussein to break the solidarity of the forces arrayed against him by calling for a Jihad against Israel and its Western allies; the enthusiastic embrace of that call by so many Palestinians and their Arab supporters; and the fear that, even if Saddam Hussein makes the judgment he cannot win any military conflict, that he will nonetheless lash out blindly to "pull the temple down around him" rather than succumb to the humiliation of unconditional capitulation.

Saddam Hussein's actions have vindicated the fears that the Israelis have long had about the destructive capability and intentions of Iraq itself, and underlined the legitimacy of the fears long held about authoritarian Arab regimes generally. There is an explosive mix of political traditions characterising many nations of the region - the primordial politics of the tribe, the concentration of power in a single ruler or elite, but the trappings and aspirations of modern nation-statehood as well. These combine in Iraq, and also countries like Syria, Lebanon and Yemen, to produce a logic of uncertainty and violence, of shifting goals and allegiances, the implications of which for regional security must never be underestimated.

Israelis will also be entitled to feel some sense of vindication at the reactions of Yasser Arafat, so many of the PLO leadership and so many of the Palestinian rank and file, to Saddam Hussein's aggression - reactions ranging variously from outright support, to pathetic apologias, to simple willingness to ride on the coat tails of any demagogic appeal
to anti-Western, anti-Israeli or pan-Arab sentiment. Arafat and the PLO leadership have still not stepped away from the positions they took in Geneva in December 1988 - when Arafat finally, after days and months and years of ducking and weaving, recognised the right of Israel to exist, renounced all forms of terrorism, and accepted the basic elements of UN Resolution 242 and 338 - but it is nonetheless fair to say both that their embrace of Israel has never been as self-evidently sincere and absolute as was that of Anwar Sadat in 1977, and that their actions in the present crisis have done nothing but reinforce the scepticism that is so widely felt about their true and ultimate intentions.

Having said all that, and acknowledged all that, I believe it is nonetheless very important that we try to keep all the elements of the current crisis in some kind of perspective - that we don't succumb to despair or hopelessness about this or any other dimension of the Middle East problem; that we don't submit to the belief that war and violence are inescapable; and that we don't cease to believe that reconciliation and peace are attainable goals.

While the present Gulf crisis is the most alarming manifestation of Middle East problems to have erupted for a long time - and while one can hardly underestimate the danger still of it boiling up into a horribly destructive war - it does nonetheless, if effectively and successfully handled, contain within it the seeds of an earlier, more-wide ranging and more durable Middle East peace than could previously have been imagined.

This is simply because we are living now through the germination of a new, genuinely internationalist, world order, the consolidation of which will make the world a saner and safer place. The reality and extent of that new order is being tested by the present Gulf crisis. If it holds in this instance - if the world, acting together, succeeds in demonstrating beyond doubt that aggression does not pay, that regional bully-boys cannot impose their might on poorer and weaker neighbours and get away with it - then not only will the world be more likely to be spared the repetition of such aggression in other regions in the future, but a foundation will have been laid for addressing, in a new and constructive way, some of the underlying, intractable problems of this region.

I will come back to this regional dimension later, but for the moment let me emphasis just a little more the global significance of what is happening in the Gulf. Iraq's aggression gave us a sobering reminder that the habits of millenia do persist, and that territorial expansionism and a preparedness by some nations, more powerful than their neighbours, to impose their will by force, is not a thing of the past. By invading Kuwait on 2 August and threatening Saudi Arabia, Iraq posed a double challenge. It spurned the peaceful resolution of its dispute with Kuwait, attempted to impose its will on its small neighbour by force of arms, and so tore up the principles of international law as embodied in the Charter of the United Nations. And it sought the tremendous power over the global economy that control of 45 per cent of the world's oil reserves and 20 per cent of its present production would confer.
The situation in the Gulf is the first exercise in crisis management which the international community has faced after the Cold War. It will provide an example and set the tone for the future. If the international community handles the crisis well, the demonstration effect will weigh heavily on those nations which might in the future be tempted to settle disagreements by intimidation and aggression. If we fumble and hesitate, content ourselves with declarations that have no effect and resolutions that are not enforced, the demonstration effect will be equally convincing in its message that the international community is powerless to enforce a decision that we all recognise to be just.

Australia has the most direct of national interests in helping get this crisis right. For our own security, for the security of all countries in our region, and for all small and medium-sized nations, it is important that multilateral opposition to aggression be shown to be successful. Of all countries, middle powers like Australia have their own national interests in ensuring that the decisions of the world community are not flouted, and in ensuring that international resolve to oppose aggression is maintained. We all should benefit if we act now to guarantee that the United Nations does not go the way of its predecessor: an ineffectual bystander as the world collapsed, in the 1930s, into conflict and chaos. It was important that the reaction to Saddam Hussein be geographically global, and important that it be fast. Our reaction, so far from being premature, made an important contribution to generating the breadth of support that will continue to be crucial if Saddam Hussein is to be effectively and comprehensively isolated - politically, economically and militarily - and ultimately defeated.

One of the most encouraging features of the global reaction to Iraq's aggression has been the extent to which the nations of the Arab world have played a part in it. Egypt has exercised a firm and decisive leadership role, matching its rhetoric with major troop deployments; Saudi Arabia and the Gulf States have been solidly behind Kuwait; Syria - for all its record - has been standing undeniably firm; and twelve Arab League States in all - a clear majority - have been prepared to take every step necessary to defeat Iraq, with the reluctance of the other eight (including Jordan and Yemen) to join in being in each case less than absolute.

It is crucial, of course, for the success of the international campaign against Iraq that both the appearance and reality of this Arab commitment be maintained. So far it has been, despite all attempts by Hussein to appeal over the heads of leaders to the Arab masses - playing both the Palestinian card, and that of the stationing of foreign troops on Saudi soil. We should not underestimate the enormous historical and emotional wrench which Arab states have had to make in order to support international action against Iraq. Pan-Arabism may be a myth which often flies in the face of reality, but it is no less potent for that. For a great many Arabs, the violation of accepted norms of international conduct was very much less relevant than the emotional perception that Iraq's action was an act of Arab defiance and self affirmation against a hostile world.
The worst of all scenarios for those striving to neutralise Saddam's pan-Arab appeal would be, of course, the addition of a specifically Israeli dimension to the present crisis. No-one doubts that Israel - with the US and others standing behind it - can, will and should respond to any attack upon it; no-one doubts that Israel means what it says, when it has made clear that one Iraqi step across the Jordan frontier will be taken as a casus belli. But equally, I think it is fair to say that there is universal relief that the Israeli Government has played the crisis as coolly has it has to date, and a universal hope that it will continue to do so.

How can and will the Gulf crisis ultimately be resolved?

While it is very difficult to crystal ball-gaze in this respect, it is a least necessary to be clear about what counts as a satisfactory resolution. Three objectives speak for themselves, adopted as they have been by the UN Security Council, viz: complete Iraqi withdrawal from Kuwait, the restoration of the legitimate Kuwaiti government, and the release of all foreign nationals who want to leave. There is a fourth element necessary for a satisfactory resolution, viz. that it be durable - that there be some assurance of the future security and stability of the Gulf region.

It is perhaps worth saying at this point that it should not necessarily be seen as an indefensible requisite for such continuing peace that Saddam Hussein himself should be removed from power, although as US Secretary of State Jim Baker rather gently put it, "it would not make us terribly unhappy if the people of Iraq decided they wanted a new leader" (House Foreign Affairs Committee, 4 Sept 90).

Nor does such a durable peace necessarily demand the decimation of existing Iraqi military power, attractive as that would be given its disportionate size and capability. What it would certainly require in this respect, however, is some continuing counter-balancing capability in the region, international or at least broadly-based Arab in character. The US Government has said that it has no desire to maintain a permanent land-based presence in the region, and there is no reason to doubt US sincerity in this respect. On the other hand, a continuing naval presence in the Gulf, of the kind the US has had for many decades, can certainly be reasonably assumed, and one land-based option being actively contemplated is the large scale prepositioning of materiel so as to enable the much more rapid deployment of fully equipped US forces should some future crisis threaten.

Being clear about objectives makes it easier to be clear about strategies, and the evaluation of competing options in this respect. What are they?

For the moment the military strike option is on the backburner, and sensibly so. It is the
case that, with clear cut UN Security Council support, military force will be used to the extent necessary to enforce sanctions; that the US and allied build up has had, and continues to have, a clear cut rationale in deterring Iraqi aggression against Saudi Arabia; and that US and allied capacity is already sufficiently formidable to mount major retaliatory action should there be harm done to hostages or other aggressive behaviour to justify it. But nobody believes that "quick, clean, surgical strikes" are very easy away from the drawing board; everyone acknowledges that major action to retake Kuwait would be very costly in terms of casualties and damage to Kuwaiti infrastructure; and there is a concern that any major military action which becomes at all prolonged would come at a heavy cost in terms of maintaining Arab solidarity. The military strike action has not, and should not be, wholly ruled out at the end of the day should all other means of resolving the crisis fail, but this is not an option to be contemplated for the foreseeable future.

The strategy which is in place, and which currently commands universal support, is to maintain the sanctions squeeze in the hope and expectation that it will eventually achieve the objectives I outlined. Food- stocks are not in especially short supply in Iraq and Kuwait - except for the scores of thousands of displaced persons the subject of the present major international relief effort - but shortages of a whole variety of a crucial commodities, including industrial parts and consumables, must sooner or later start to show up if the blockade can be maintained as tightly as it is being maintained at the moment.

It is not wholly implausible that if Saddam, Hussein becomes persuaded that the blockade will hold firm, that widespread suffering is inevitable a few months down the track, and that his own personal security and terror apparatus is not so absolute that he can be sure of surviving that strain, then he will cut his losses sooner rather than later - particularly if he can find at the same time one or two diplomatic ladders on which to climb down. But while there is a fair measure of confidence that sanctions will work, nobody can be sure of when and how they will work, and what if any additional factors will finally come into play in helping them work.

The questions arises as to what if any diplomatic action should be attempted at this stage to try and accelerate the resolution of the crisis. Preliminary efforts by the UN Secretary-General and others have not been encouraging, and US Secretary of State Baker has expressed the view that such efforts at this stage are probably premature. But at the same time he has made clear that - subject to certain obvious constraints - it is the US view that diplomacy is an appropriate accompaniment to the sanctions strategy, and that if it could produce a satisfactory peace today or tomorrow, so much the better.

The constraints upon diplomacy were nicely articulated by Baker in his testimony before the House Foreign Relations Committee last week (4 September) when he said that:
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The one thing that we think we must avoid at all cost is the siren song of somehow negotiating something that is within the parameters.... of the UN Resolutions that have been passed.

Obviously any peace that is negotiated has to be a principled peace, a peace without appeasement, a peace that does not, by one means or another, give the bank to the robber. And obviously any diplomatic ladders brought to the window to assist an Iraqi climb-down can only be put in place after Iraq has withdrawn from Kuwait and the other UN conditions have been met, or at least unconditionally agreed to. Among the issues that could come into play in this context are the series of matters (relating to oil production, debt and territory) that were before the invasion already on the table for bilateral negotiation between Iraq and Kuwait, and all questions relating to the longer term military security of the whole region.

A number of commentators have made the point that resolution of the Gulf crisis should become, in Secretary Bakers words:

A springboard for a sustained international effort to curb the proliferation, biological and nuclear weapons, and ballistic missiles in the region and elsewhere (House testimony, 4 September).

It was partly this I had in mind when I said earlier that the present crisis, if successfully resolved, may in fact contain the seeds of a more wide-ranging and durable regional peace than may have occurred without it. It may be a little Quixotic to hope that regional agreements to destroy chemical and biological weapons and to ban at least the first-use of nuclear weapons could be negotiated as part of an extended peace settlement process, but there is no reason why these issues, under the stimulus of this crisis and its settlement, should not become active items on the regional security agenda.

Where, finally, does the Arab-Israeli conflict over the Palestinian issue fit into all of this?

Secretary of State Baker again I think, had the emphasis right when he said in his Congressional testimony last week, straight after making the point about curbing chemical and nuclear weapons and the like, that:

[Resolution of todays threat] can become a springboard for revived efforts to resolve the conflicts which lie at the root of such proliferation, including the festering conflict between Israel and its Palestinian and Arab neighbours.

There can and should be no direct linkage between the Gulf crisis and the Palestinian issue. Saddam Husseins crude attempt to trade off the withdrawal of Iraq from Kuwait against that of Israel from the occupied territories or of Syria from Lebanon was, properly,
more or less universally rejected. But there is no question, nonetheless, that the other regional issues are important ones, impacting constantly on the wider security of the region, and demanding fair resolution in their own right. If the momentum generated by a satisfactory resolution of the Gulf crisis can be, in Baker's language, a "springboard" for the resolution of the Palestinian and related issues, then so much the better.

The main point that I want to make tonight about the Palestinian issue - and I could hardly stand before this audience without addressing it! - is to ask you, and through you the Government of Israel, to think very long and hard about using the Gulf crisis, and the unhappy reaction to that crisis of the PLO leadership and so many Palestinians, as an excuse for postponing once more any serious attempt to resolve the Palestinian question. The reported outcome of the meeting on 5 September between Secretary Baker and Foreign Minister Levy, in which the two were said to have "spent quite a bit of time ..... discussing the importance of moving forward on the peace process notwithstanding events in the Gulf"", gives some ground for hoping that the Gulf will not in fact be called in aid as an excuse, but I make my plea notwithstanding.

I do so because I believe, as do in fact a great many Israelis and friends of Israel, that too many years have already been allowed to pass without seriously addressing the problem in the hope that it would simply go away. But it is a problem that has not gone away, and will not go away, however comprehensively discredited Arafat and the PLO leadership for the moment appear to be.

There are a number of reasons why this is so, and why the Israel government should act now to address the problem. They bear repetition because - self evident though they may be - they all too often seem to be forgotten, or at least shunted into mental sidings and bypassed in day to day thinking.

First, there is the strategic time-bomb. Ten years ago Israel spent as much on defence as all its potential regional adversaries combined. Now Iraq and Syria alone - leaving aside Jordan, Saudi Arabia, Libya and Egypt - spend between them nearly three times as much as Israel. The size of Israel's armed force has changed little over the last decade, whereas Syria's and Libya's have doubled, and the number of Iraqi divisions - as we now know all too well - have increased from 10 to 55, and the number of its tanks from 1,700 to 5,500. The trend is all one way, and there is no reason to think it won't continue.

For the time being Israel can no doubt go on being confident of its superior organisational and technical capability, and of continued disunity among its neighbours making a combined assault highly unlikely. Certainly it is unlikely as long as Egypt, Saudi Arabia and Syria maintain their present alignment with the United States. But no-one is naive enough to believe that President Assad, for one, has permanently changed Syrian spots, or that current alliances will prove any more lasting than their predecessors. The one
enduring constant in Arab rhetoric (if not always reflected in Arab countries' behaviour) has been commitment to the Palestinian cause against Israel, and it simply cannot be assumed into the indefinite future that, with the military balance moving as it is, some combined assault against Israel is out of the question. All the more reason to move now, while the balance of Arab forces are, for whatever reason, aligned with the West, to defuse the Palestinian issue to the maximum extent possible, as soon as possible.

Secondly, turning to internal factors, there is the demographic time-bomb. The Palestinian birth rate is much higher than that of the Jewish population of Israel. There are already more than 750,000 Arabs living inside the pre-1967 borders of Israel, and another 1.3 million plus living in the Occupied Territories. If Israel retains control of the Occupied Territories, it is only a matter of time before Jews become a minority in their own country. Even the mass arrival of Soviet Jews will, on recent estimates, postpone that date by only ten years, from 2015 to 2025.

Thirdly, there is the fact that Palestinian opposition to the status quo in Israel has become in recent times a much more home-grown phenomenon, less dependent on external PLO and Arab leadership to sustain and nourish it. Until December 1988, when Israel was confronted by Palestinian terrorism or frontal attack, it was essentially an outside phenomenon, based on the Palestine diaspora and the confrontationist Arab States. Within the Occupied Territories there was an apparently quiescent, indeed compliant, Palestinian population, notwithstanding its lack of fundamental democratic and human rights. The intifada changed all that: while the stone throwing can be suppressed - more or less effectively depending on the relentlessness of the methods employed - the underlying dynamics of the Palestinian cause have permanently changed. Yasser Arafat and the external leadership of the PLO may not matter quite as much in the future as they have in the past, but the new generation of Palestinian leaders inside Israel and the Occupied Territories will matter a good deal more. And, as time goes on, it may become harder and harder to find moderates among them.

These internal factors point up starkly the nature of the dilemma that has always existed for Israel: what kind of nation does it want to be?

As Thomas Friedman points out in his recently published book, From Beirut to Jerusalem, which is the most brilliantly lucid account of Middle East politics that I have ever read, David Ben-Gurion answered that question in the only way possible. He said, in effect, that Israel could be a Jewish state, it could be a democratic state and it could be a state occupying the whole of what was considered to be the historical land of Israel. But it could not be all three. In 1947 Ben-Gurion persuaded his fledgling nation that Israel could at best secure two and a half of these objectives: a Jewish and democratic State occupying part of the historical Israel.
In 1967, with the occupation of the West Bank, the choice between those three options became much starker, though this was perhaps not at the time as fully understood as it could have been. The demographic reality has brought home that the nation of Israel could not occupy the historical land of Israel yet at the same time indefinitely continue to be both Jewish and democratic, short of a totally unacceptable solution such as the mass deportation of Palestinians. But since 1967 Israeli leaders have effectively avoided making that hard choice, and the consequences are plainly visible.

Since 1988, and the coming of the intifada, the dilemma has become even more stark. If the intifada is about nothing else it is about democracy, about people's right to determine their own political destiny, about the claim of right of the Palestinians to self-determination. It brought home clearly to Israelis and the rest of the world that if Israel continued to turn a blind eye to that Palestinian claim of political right - and even worse if the Israeli military were to continue to physically suppress it - then Israel as a democracy would be fundamentally flawed.

I believe, and certainly every Labor friend of Israel would believe, that it is crucial that Israel not be so flawed. Israelis sometimes claim that they are judged in these matters by harsher and higher standards than their neighbours. And they are. But this is for the very good reason - as Thomas Friedman again points out - that Israelis have always wanted to be so judged, and the very foundation of the State depended on their being so regarded. The Jewish people have become for the world, by virtue of their history and their achievement, the yardstick of morality and the symbol of hope, and if that status is ever lost - if we ever become as cynical about Israel as we are about almost everyone else - then something of enormous value will be lost to the world. Friedman quotes Abba Eban, looking back to the UN debate in 1947:

We based our claim on the exceptionality of Israel, in terms of the affliction suffered by its people and in terms of our historical and spiritual lineage....We chose to emphasise at the beginning of our statehood that Israel would represent the ancient Jewish morality. Some Israelis now complain of being judged by different standards [from other countries in the Middle East]. But the world is only comparing us to the standard we set for ourselves.

I think all of us here want Israel to go on being an exceptional country. But if it is going to be so, then the time is fast approaching when it is going to have to compromise. The Palestine issue and the Palestinian people will simply not go away. The nature of Israel's history, and the world spotlight that will always be on the biblical land of Israel, means that the Palestinian issue will not just drift off to the far fringes of public consciousness, like the plight of the Kurds or Armenians or other comparable minorities who have been equally victims of history. And the demographic imperative, if nothing else, means of course that it is not a problem that Israel itself can forever ignore.
Compromise has not been easy for Israelis to contemplate. As Friedman again nicely puts it, they have wavered between two poles: When we are weak, how can we compromise? When we are strong, why should we compromise? Israel is strong at the moment, but it cannot forever assume that it will remain so. To find a way through the morass will involve a demonstration of strength, not a confession of weakness. Certainly it will require a good measure of statesmanship. And if that statesmanship is to be productive, it will necessarily involve dialogue with Palestinians, both inside and outside Israel and the Occupied Territories, who have been directly associated with the PLO.

The reasonable hope that Israelis and their friends can derive from the present Gulf crisis is that if it is successfully resolved - by the world uniting against aggression as never before, and with the United Nations effective as never before - then an act of creative statesmanship by Israel, involving an exchange of land for peace with accompanying security guarantees, might be fraught with a lot less risk in this new world order than has ever previously been the case.

Let me conclude with some words I first directed to the Executive Council of Australian Jewry nearly two years ago. For my generation, a generation born around the time of Israel's birth, the founding of the state of Israel represented not only the redressing of a shameful wrong. It also carried with it great hopes about the establishment and nurturing of a liberal democratic nation. It was a moment when idealism found practical expression. And at a time once again for crucial decisions to be made in the Middle East, I urge you all to use your influence and to work with others to ensure that this idealism and sense of justice, which drove the move to establish Israel and made Israel a "light unto the world", remain the inspiration for future Israeli actions and policies.

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