

Preserving American Jewish History

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#### INTRODUCTION

This pocket guide to Middle East problems was prepared in response to countless requests received by the American Jewish Committee from Jews and non-Jews alike for a *simple* and *brief* background paper to provide better understanding of the Arab-Israel conflict. The questions dealt with in these pages are those which are asked most often by thoughtful and concerned Americans, and the few paragraphs of explanation that follow each question are intended only to sketch in the bare outlines of an answer.

The crisis in the Middle East is, of course, far from simple, and many volumes have been written in an effort to do justice to the questions discussed here. It is hoped, however, that this quick overview will encourage the reader to examine the complex issues and changing events that underlie Arab-Israel tensions with the historical perspective essential to an understanding of these problems.

#### AN END TO COLONIALISM

### How long have Jews been living in Palestine and under whose rule?

Palestine was settled by the ancient Hebrews about 1200 B.C. The Bible records the many centuries of Jewish sovereignty and self-government, from the time of the Judges and Kings through the Hasmonaean and Herodian dynasties; and Jewish communities have lived there ever since, often with a great deal of autonomy. The territory was conquered by Assyrians (721 B.C.), Babylonians (585 B.C.), Romans (63 B.C. and 70 A.D.), Abbasid Arabs (seventh century A.D.) and the Ottoman Turks (1517). It remained part of the Ottoman Empire until Turkey's defeat in World War I, and in 1922 became a British mandate. In 1947, Britain turned the Palestine issue over to the UN.

#### How was the State of Israel created?

A majority of a special UN 11-nation committee on Palestine appointed in May 1947 to investigate the issue recommended that the area be partitioned into a Jewish state and an Arab state. On November 29, 1947 the UN General Assembly voted 33 to 13 for Partition. The United States, France and the Soviet Union all voted in support of Partition; ten countries, including Great Britain, abstained.

In May 1948, as the British withdrew, Israel issued its Declaration of Independ-

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ence, establishing a new nation within the boundaries set by the UN, and the armies of five Arab League nations launched an armed attack to prevent the creation of the new state. In Cairo, the Secretary General of the Arab League declared, "This will be a war of extermination and a momentous massacre, which will be spoken of like the Mongolian massacres and the crusades."

#### What was the outcome of the 1948 war?

Israel repelled the invading Arab armies. After repeated UN efforts, separate armistice agreements were negotiated in 1949 between Israel and Egypt, Lebanon, Jordan and Syria. Jordan—then called Transjordan—occupied and annexed the Old City of Jerusalem and most of the territory allocated by the UN Partition Plan for an Arab state; Israel acquired some additional territory; and Egypt took over administration of the Gaza Strip.

### What were the other terms of the 1949 armistice agreements?

The UN-sponsored agreements, whose aim was not only the "liquidation of armed conflict," but "the restoration of peace in Palestine," included respect for the territorial integrity and independence of each nation, free access to all religious sites, and peaceful settlement of disputes. All the agreements were to remain in effect until a "permanent peace settlement between the parties is achieved."

#### What are the size and population of Israel?

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Population (as of January 1969): 2,841,000, including 2,434,800 Jews, 300,800 Moslems, 72,150 Christians and 33,300 Druzes and others.

Territory (according to the armistice lines of 1949): 8,017 square miles.

In addition, Israel currently administers 26,476 square miles of territory occupied during the Six-Day War in 1967—including the Golan Heights, the West Bank of the Jordan, the Gaza Strip and Sinai—with a population of about 990,000.

#### What is Zionism? CAN JEWISE

In the Bible, Zion-the name of a mountain in Jerusalem-is used repeatedly to denote the spiritual and temporal center of the land of Israel. Through the ages, the phrases "return to Zion" and "love of Zion" have expressed the deep attachment of Jews to their ancient homeland, despite their dispersal in foreign lands. Modern political Zionism began in the late 19th century after the hopes of equality stirred by the 18th -century Enlightenment were dashed by new waves of political anti-Semitism. Its goal was "to create for the Jewish people a home in Palestine secured by public law," and it encouraged young Jewish pioneers to settle in Palestine to redeem and revive the land, which had been neglected for centuries.

The Nazi holocaust gave the Zionist movement a special impetus after World

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War II, when hundreds of thousands of Jews who had escaped Hitler's "final solution" were left homeless and stateless in displaced persons camps until they were admitted to the newly created Jewish state.

Today, Zionism refers to a general concern among Jews and non-Jews for the safety and security of Israel. Jews in other lands also share with the Israelis a "sense of peoplehood" based on a common religion, history, culture and tradition.

#### THE NEW STATE

#### How is Israel governed?

Israel is a parliamentary democracy. Citizens of all faiths over 18 have the right to vote, and anyone over 21 may be elected to local office or to the 120-member national Knesset (Parliament).

About a dozen political parties compete for political influence. National elections are conducted on the basis of proportional representation. The largest party is Israel Labor, founded in 1968 as a merger of three labor groups. Aligned to that party is the left-wing United Workers' Party (Mapam). The second largest party, and more to the right, is the Herut-Liberal bloc (Gahal). Other parties include three religious groups and several smaller lists. The present government consists of a national coalition, embracing all parties except for the two small Communist lists and the two-deputy Ha'olam Hazeh.

The President, whose functions are largely ceremonial, is elected by a simple majority in the Knesset. The Prime Minister and Cabinet are responsible to the Knesset. Cities and townships are governed by locally elected mayors and town councils.

## What is the status of the various religious communities in Israel?

While Judaism is the principal faith, Moslems, Christians and other religious groups have full freedom of worship and enjoy equal citizenship before the law. Clergy of all faiths are paid by the state.

The supreme Jewish religious authority is the Chief Rabbinate—made up of an Ashkenazi Chief Rabbi, a Sephardic Chief Rabbi and a Supreme Rabbinical Council.

Moslems, whose 300,000 adherents make up the majority of Israel's Arab population, worship in some 90 mosques. The authority of their religious courts is protected by Israeli law.

Christians in Israel, predominantly Arab, belong to some 30 denominations. There are 25,000 Greek Catholics, 22,000 Greek Orthodox, 16,000 Roman Catholics and 3,000 Maronites; 2,500 Anglicans, Presbyterians, Baptists, Lutherans and other Protestants; and some 3,500 adherents of Armenian-Gregorian, Coptic and Ethiopian churches. Most Christian holy sites are in Jerusalem; in addition, there are about 400 churches and chapels in other parts of Israel.

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The Druzes, who number about 33,000, have been regarded as heretical to Islam since the 11th century. In Israel they have legal status as a religious community for the first time in their history.

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*Karaites*, numbering about 10,000, reject the rabbinic tradition and recognize only the literal law of the Bible. They have their own synagogues, led by minister-readers.

The Samaritans, who total some 400 in Israel and the West Bank, are another ancient fundamentalist sect. Their High Priest lives in Nablus, and they have a synagogue near Tel Aviv.

The *Circassians*, a Moslem sect of about 1,500, originated in the Caucasus and settled in Galilee over 100 years ago.

The Ahmadi, a sect of some 600 originating in Pakistan, live near Haifa.

The Baha'i Faith is a small universalist group whose most important shrines are in Acre and Haifa.

### What are the relationships of religion and state in Israel?

The government is secular. Religion and state are separate except in such matters as marriage, divorce and inheritance, which are primarily under the jurisdiction of the religious authorities of each faith, as they were under Turkish and British rule.

At present, the Orthodox rabbinate exerts the dominant influence in Jewish religious affairs and the Orthodox National Religious Party has been a member of the

ruling coalition for some years. The Conservative and Reform movements are not officially recognized, but some 15 Conservative and Reform congregations conduct services in Israel.

Since Israel was created as a "Jewish State," Jewish immigrants and their families, including non-Jewish spouses and children, are entitled to automatic citizenship, a formula confirmed during the recent "What is a Jew?" debate in the Knesset. Jewish holidays are observed nationally and the Jewish Sabbath is the official day of rest. However, persons of other faiths may by law select an alternate day of rest in keeping with their own religion.

# What is the political, social and economic status of Israel's Arab citizens?

Arab citizens enjoy full equality of citizenship and more than 80 per cent of the Arabs participated in the 1969 elections. There are Arab mayors and other local officials, and six Arab representatives in the Knesset, one of them a Deputy Speaker. Arabic is an official language in the Knesset and the courts, and there are Arab programs on radio and TV. The unpopular Military Administration, which had imposed travel restrictions on Arab citizens living in certain border areas, was finally abolished in 1966.

For the past decade, the Government has conducted a vigorous program to bring Israeli Arabs into the economic mainstream. Their standard of living generally

approximates that of the Jewish population and is considerably higher than in any of the neighboring Arab countries. In the agricultural towns and villages the Government has introduced new farming techniques, built new homes, roads and electrical systems, and set up a wide network of education and health care. The death rate among Israel's Arabs has dropped from 20 to 6.1 per thousand since 1948, infant mortality from 68 to 40 per thousand.

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Education is compulsory for all children between 5 and 14. Government-funded schools employ Arab teachers who teach in Arabic, and the number of Arab high school and university students is growing rapidly. Since 1960, Arabs have belonged to the Histadrut, Israel's labor federation, which has helped them achieve higher wages, housing, education, health services, old-age insurance and other fringe benefits.

# What are Israel's relationships with the international community?

Israel has been a member of the United Nations since 1949, and participates in many UN specialized agencies. She maintains diplomatic links with more than 100 nations on five continents and has trade and cultural relations with virtually all states outside the Communist orbit and with some East European countries.

Israel identifies closely with the problems of the developing nations. From 1958 to the present, a broad program of international cooperation has brought over

10,000 trainees from more than 80 African, Asian and Latin American countries for study and training in Israel. Hundreds of Israeli agricultural, engineering and managerial experts have served in the developing states, and over 5,000 students have attended courses organized by Israeli instructors in their countries. Joint companies for construction, water development, trade and shipping have been set up in a number of African and Asian lands, with controlling shares vested in the developing nations.

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#### THE REFUGEES

#### How did the Arab refugee problem arise?

During the 1948 war, thousands of Arabs inside the borders of the new State fled their homes, many of which were in the line of battle.

The Arab governments claim the refugees were expelled or fled in panic from Jewish terrorists and rumors of terrorism. Israel maintains that Arab leaders incited the Arab masses to leave, promising they would soon return after their victory in the "holy war" against the Jews.

Israelis admit that during the Arab siege of Jerusalem in the spring of 1948—while Palestine was still under British mandate, and after Jewish civilian convoys had been ambushed by Arab terrorists—two illegal Jewish terrorist groups seized the village of

Deir Yassin and killed 254 residents. But they point out that this isolated action was denounced by the leadership of the Jewish community. The Provisional Government of Israel in its Proclamation of Independence appealed to the Arabs to remain as peaceful citizens and "play their part in the development of the State, with full and equal citizenship and due representation in all its bodies and institutions."

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A British eyewitness wrote in *The Economist* of October 2, 1948 that the Jewish authorities had "urged all Arabs to remain in Haifa and guaranteed them protection and security." The most potent factor in the Arabs' decision to flee, he declared, "were announcements over the air by the Arab Higher Executive urging all Arabs in Haifa to quit" and promising that after the British left, the combined Arab states would "drive the Jews into the sea; and it was clearly intimated that those Arabs who remained in Haifa and accepted Jewish protection would be regarded as renegades."

#### How many Arabs left Israel in 1948?

The number of Arabs who became refugees as a result of the war has never been accurately determined. The UN Economic Survey Mission for the Middle East estimated that close to 700,000 Arabs left, of whom 620,000 were bona fide refugees still requiring assistance in 1949—although nearly one million "alleged relief recipients" were then receiving international assistance.

# What has the UN done to help solve the Arab refugee problem?

In 1949, the UN General Assembly established the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to provide emergency aid for the refugees of the 1948 war. Since then, UNRWA has provided a comprehensive program of welfare and public services, including food, clothing, shelter, medical care, education, vocational training and special hardship assistance, in refugee camps located in Jordan, Lebanon, Syria and the Gaza Strip.

In June 1965, 1,280,823 persons were registered with the agency, distributed among the "host" countries as follows:

Jordan 688,327 Lebanon 159,783 Gaza Strip 296,941 Syria 135,772

By May 1967, the total had risen through natural increase to 1,344,576. UNRWA and other observers believe these figures were swollen with duplicate registrations, deceased persons, non-refugee poor, selfsufficient Arabs and other ineligibles.

UNRWA has been financed primarily by voluntary contributions from UN member states, with some help from UN specialized agencies and corporate and individual gifts. Of the agency's income of some \$700 million from 1950 to the end of 1969, the United States contributed over \$455 million, or nearly two-thirds of the total. The Soviet Union and other Communist states, with the exception of Yugoslavia, have never made any contributions to UNRWA.

Of the four Arab countries where refugee camps were situated, Jordan contributed about  $2^{14}$  million, Egypt  $5^{14}$  million, Lebanon 828,000 and Syria  $1^{34}$ million. Among the major oil-producing Arab states, Saudi Arabia has contributed less than  $3^{14}$  million, Kuwait under 2million, and Iraq and Libya less than half a million each.

#### What has Israel done for the Arab refugees?

In 1949, Israel offered to take back 100,000 refugees as part of a general peace settlement, but in the absence of Arab willingness to negotiate, the offer was withdrawn. However, approximately 60,000 refugees have been permitted to return during the past two decades as part of a program to reunite families. In addition, Israel has released all \$12 million in bank accounts and safe deposit boxes belonging to the 1948 refugees and has agreed to consider compensation for abandoned property, provided payments go into a UN fund for resettlement. Since June 1967, Israel has contributed about \$7 million to UNRWA and other refugee services in the territories under its control.

# What happened to Jews in Arab lands after the 1948 war?

During and after the war, anti-Jewish pogroms broke out in Libya and other Arab countries. In Libya, out of a Jewish community of 40,000 before World War II, all but 6,000 fled after 1948.

In Iraq, Jewish residents were classified as enemy aliens, and their property was sequestered. The overwhelming majority of Iraq's Jewish population of 120,000 emigrated to Israel.

In Syria, soldiers and civil servants were forbidden to trade in Jewish shops; Jews needed special travel permits to move about and could not sell their property.

In Yemen, mob violence and government persecution forced virtually the entire Jewish population to flee to Israel. Even in moderate Tunisia, the Jewish population fell from 100,000 to 20,000 in less than two decades after Israel's War of Independence in 1948.

In addition to the more than 600,000 Jewish refugees from the Arab countries who migrated to Israel since 1948, more than a quarter of a million Jews from North Africa fled to France and other Western countries. With few exceptions, their homes, property, bank accounts and other tangible assets were confiscated or sequestered without compensation.

# What is the UN position on the Arab refugee problem?

Both the UN and the United States believe a workable compromise can be found in the context of an overall peace settlement, involving repatriation for some refugees and resettlement with compensation for the great majority.

In December 1948, the UN General Assembly established a Conciliation Com-

mission for Palestine and called on the Arab States and Israel "to seek agreement by negotiation conducted either with the Conciliation Commission or directly, with a view to the final settlement of all questions outstanding between them."

The resolution also called for efforts to "facilitate the repatriation, resettlement and economic and social rehabilitation of the refugees," and declared that "refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest practicable date and that compensation should be paid for the property of those choosing not to return."

On November 22, 1967 a resolution unanimously adopted by the UN Security Council cited the need "for achieving a just settlement of the refugee problem" as one of the elements in an overall peace package.

#### What progress has been made toward absorption of refugees in Arab lands?

UNRWA reports indicate that half the refugees of the 1948 war were either economically self-sufficient or on their way to becoming so by 1964, thanks largely to UN-sponsored education and training programs and increasing employment opportunities resulting from economic development in the region.

More than 100,000 Palestinians have found employment outside the host countries, primarily in the oil-producing Arab states. However, Jordan is the only host

country that has granted citizenship to the refugees as well as allowed them to work. In Lebanon, they may work but cannot become citizens; in Syria, they have found employment but are often discriminated against. In the Egypt-controlled Gaza Strip most refugees suffered discrimination and repression, very few were allowed to emigrate, and virtually none to Egypt itself.

# What position do the Arab states and Israel take on refugee resettlement?

The Arab states demand that Israel repatriate all refugees wishing to return and compensate the others for all properties abandoned.

Israel maintains that the Arab states are using the refugees as a political football and argues that the return of a million embittered refugees would create a potential "fifth column" close to half the size of her own population.

However, Israel has declared a willingness to re-examine the entire refugee problem in the context of negotiations for a permanent peace settlement. In September 1969, Foreign Minister Abba Eban proposed a conference of Mideast states, governments contributing to refugee relief and UN specialized agencies "to chart a five year plan under regional and international responsibility for the solution of the refugee problem in the framework of a lasting peace and the integration of refugees into productive life." And in March 1970, Prime Minister Meir reaffirmed Israel's readiness

to pay compensation for just refugee claims in the context of a peace settlement.

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#### JERUSALEM: HOLY CITY OF THREE FAITHS

What are the historical, political and religious claims of Jews and Arabs to the city of Jerusalem?

The Israelis point out that Jerusalem has been a focus of Jewish tradition, national aspiration and worship since Biblical times; that it was the Jewish capital from the time of King David all through antiquity and that Jews have lived there for millennia. They also point out that during the last century Jews have consistently been a majority in Jerusalem.

The Arabs claim that Jerusalem has been primarily an Arab city for many centuries, and includes the third most holy Moslem religious site. They also contend that their conquest of the Old City in the 1948 war re-established their right to it.

# What are the Israeli and Arab positions on internationalization of Jerusalem?

Israel accepted the 1947 Partition Plan as a whole, including the internationalization proposal, on the assumption that the Arabs too would accept Partition as a whole. Instead the Arabs rejected the creation of a Jewish state and besieged Jerusalem's Jewish quarter. Jordan captured the

Old City in 1948. On December 6, 1949, the Jordanian delegate told the UN Ad Hoc Committee: "My delegation believes that no form of internationalization...serves any purpose, as the Holy Places... are safe and secure, without any necessity for a special regime."

When the Trusteeship Council met in 1950 to draw up a new statute for Jerusalem, Israel offered a proposal for UN supervision of the Holy Places, while Jordan refused to appear. Some Arab states, led by Egypt and Syria, opposed Jordan's annexation of the Old City.

Today Israel and the Arab States are all opposed to internationalization, and Israel has declared she will never permit a redividing of the city.

On the issue of the Holy Places, Abba Eban reiterated Israel's position in a statement to the UN on October 8, 1968:

Israel does not seek to exercise unilateral jurisdiction in the Holy Places of Christianity and Islam . . . . Christian and Moslem Holy Places should come under the responsibility of those who hold them in reverence.

How did Jordan and Israel deal with the shrines under their jurisdiction between 1948 and 1967? How does Israel treat the shrines today?

Although the armistice agreements stipulated free access to all religious shrines,

Jordan barred all Jews from its territory, closing off the revered Western (Wailing) Wall and Mount of Olives in Jerusalem, the Tomb of Rachel near Bethlehem, and the Tomb of the Patriarchs where the Jews had buried their dead for 2,500 years. Israeli Christians were permitted to visit the Old City at Christmas, but Israeli Moslems were barred at all times.

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All synagogues in the ancient Jewish quarter of Jerusalem were demolished. The Jewish cemetery at Hebron was destroyed, and the entrance to the Tomb of the Patriarchs was mined. To promote tourism, Jordan built a road to a new hotel across the Mount of Olives cemetery, destroying and desecrating hundreds of Jewish graves.

Immediately after the Six-Day War, on June 27, 1967, the Knesset adopted a Protection of Holy Places Law, providing for full freedom of access to persons of all faiths and imposing stiff prison terms for desecration. Copies of the law, in Hebrew, Arabic and English, are conspicuously posted throughout the country and regulations on proper conduct and decorum are posted at the entrances to all sites.

Since the war, various religious leaders have reported to the UN's fact-finding representative that Israeli authorities are honoring "the principles...laid down with respect to the Holy Places."



THE MIDDLE EAST, cradle of many ancient civilizations, is an area of cultural, social and political diversity, and historic rivalries. It includes 18 independent Arab states extending over 4.6 million sq. mi., with a total population of 113 million; and 8 non-Arab states (Afghanistan, Cyprus, Ethiopia, Greece, Iran, Israel, Turkey and Pakistan) with 2 million sq. mi. and a population of 237 million. Islam, the predominant religion, is divided into many sects; in Cyprus, Ethiopia and



Greece, the majority are Christians, as are about half the Lebanese; Israel has a Jewish majority. The region also includes such minorities as Kurds, Copts, Berbers, and various Turkic tribes. Political organization ranges from traditional sheikhdoms in the Persian Gulf to constitutional monarchies as in Iran and Morocco, and from one-party military republics as in Egypt, Syria and Iraq, to the unique multi-faith democracy of Lebanon and the Western-style democracies of Israel and Turkey.

#### THE SUEZ CRISIS AND THE SINAI CAMPAIGN

What international agreements govern freedom of shipping through the Suez Canal?

The Constantinople Convention of 1888, signed by Great Britain, Germany, Austria, Spain, France, Italy, the Netherlands, Russia and Turkey—which then included Egypt—stated that the Canal would "always be free and open, in time of war as in time of peace, to every vessel of commerce or of war, without distinction of flag." However, the Convention permits Egypt to bar the shipping of countries with which she is at war, and Egypt has used the absence of an Arab-Israel peace treaty to bar shipping to and from Israel.

The UN Security Council in September 1951 rejected this position, pointing out that the Egyptian-Israeli armistice agreement of 1949 contained specific pledges "against any further acts of hostility." Declaring that "neither party can reasonably assert that it is actively a belligerent," the Security Council ordered Egypt to cease the blockade. The Egyptians refused.

#### What was the Soviet position in the UN?

While Soviet aid encouraged anti-Israel militancy among the Arab states, Israeli complaints to the UN about border raids and loss of life were blocked by Soviet vetoes. In 1954, the Soviet Union vetoed a Security Council resolution reiterating its

1951 vote ordering Egypt to open the Suez Canal to Israeli shipping.

#### What precipitated the Sinai Campaign?

For several years, Egypt continued to tighten her blockade against shipping to and from Israel through the Suez Canal, in violation of the 1951 Security Council resolution. In 1954, Egypt also began to shell ships travelling through the Straits of Tiran to Eilat, Israel's port at the northern end of the Gulf of Aqaba.

Meanwhile, Egyptian terrorist raids against Israeli border settlements grew more frequent, Israel's retaliation became more intense and the UN Mixed Armistice Commission was unable to prevent the increasing border violence.

In 1955 the Soviet Union began massive arms shipments to Egypt and Syria, and in 1956 Jordan, Syria and Egypt formed a joint military command, directed against Israel. On October 29, to destroy terrorist bases and break the tightening noose, Israel moved into the Sinai, advancing through the desert to the Suez. As the Egyptians fled, the Gaza Strip and Sharm-el-Sheikh, at the entrance to the Gulf of Aqaba, came under Israeli control.

What was the role of the Western Powers in the Sinai crisis?

On July 26, 1956, Egypt's President Nasser unilaterally nationalized the Suez Canal and declared that Egypt would

henceforth use Canal tolls to build the Aswan Dam. England and France, largely dependent on Middle East oil, mobilized troops and prepared to restore international control of the Canal by force if diplomatic efforts failed. The U.S., while objecting to Egypt's action, opposed the use of force. Two international conferences and a series of UN Security Council sessions failed to persuade Egypt to accept international supervision of the Canal.

On October 30, 1956, when Israeli troops were advancing toward the Canal, England and France issued an ultimatum to Egypt and Israel, warning that unless both sides ceased fire within 12 hours, British and French troops would occupy the Canal area — ostensibly in order to separate the belligerents. Israel accepted the ultimatum; Egypt refused. On October 31, the British and French began air bombardment of Egyptian airfields. Five days later they invaded the Port Said area, later withdrawing under U.S. and Soviet pressure.

What was the final outcome of the Sinai Campaign?

On November 2, 1956, after heated debates in the United Nations, an emergency session of the General Assembly voted overwhelmingly for a cease-fire and ordered Israel to withdraw to the 1949 armistice lines. The General Assembly created a UN Emergency Force "to secure and supervise the cessation of hostilities."

In 1957, after receiving assurances from the U.S. and 16 other maritime powers

concerning her rights of passage through international waterways, Israel withdrew her troops from all territories taken the previous October. For 10 years UN troops were stationed at Sharm-el-Sheikh, at the entrance to the Gulf of Aqaba, and in the Gaza Strip. The Egyptian border was relatively quiet, and there was free navigation through the Gulf of Aqaba.

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### What was the Soviet Union's political and propaganda role?

For more than 200 years, access to warm-water ports in the strategic Mediterranean and the Persian Gulf has been a primary goal of Russian foreign policy. In 1946, Soviet troops tried to take over the Azerbaijan region of Iran, but withdrew at the threat of U.S. and British intervention.

Although the Soviet Union had voted in the UN for the creation of a Jewish state in 1948, Moscow turned against Israel when it became clear that she would not become a Soviet satellite and represented an obstacle to Soviet aspirations in the Middle East.

In the mid-1950's the Soviet Union embarked on an intensive campaign to undermine Western interests and gain the support of Arab nationalists. The Russians supported Egyptian President Nasser's efforts to counteract the Western-sponsored Baghdad Pact which united Iraq, Turkey, Iran, Pakistan and Great Britain in the "northern tier" mutual defense agreement.

In 1955, while Nasser was encouraging competitive bids from England, the U.S. and the World Bank for low-cost loans to

build the Aswan Dam, the U.S.S.R. made a large arms-for-cotton deal with Egypt and subsequently agreed to finance the Aswan project. Massive Russian arms to Egypt and Syria were accompanied by Soviet advisors, expanded economic ties, student exchanges and cultural missions to these and other Middle East states.

#### THE SIX-DAY WAR

#### What precipitated the 1967 War?

In May 1967, Egyptian President Nasser moved 100,000 troops and 1,000 tanks into Sinai and insisted that the UN withdraw its peace-keeping force from the Gaza Strip and the Sinai frontier with Israel. The pretext for these moves was an alleged Israeli troop concentration along the Syrian border, where Syrians stationed on the Golan Heights were shelling Israeli agricultural villages in the valley below. The UN Secretary-General confirmed that no such troop concentration existed.

On May 19, the UN forces began to leave, and Egypt immediately occupied Sharm-el-Sheikh, commanding the Straits of Tiran. On May 22, Nasser closed the Gulf of Aqaba to shipping bound for Israel.

UN Secretary-General Thant expressed his deep concern to the Egyptian government regarding "the dangerous consequences which could ensue from restricting innocent passage of ships in the Strait of Tiran." He warned the UN on May 27 that

"a clash between the United Arab Republic and Israel over this issue, in the present circumstances, will inevitably set off a general conflict in the Near East."

President Johnson, on May 23, termed the Egyptian blockade "illegal and potentially disastrous to the cause of peace." President Nasser told his air force in Sinai on May 22 that he realized that his actions meant "a confrontation with Israel," adding, "We are ready for war."

# What international agreements govern rights of passage through the Straits of Tiran?

A 1958 Geneva Convention adopted by the UN Conference on the Law of the Sea, by a vote of 62-1, with the Soviet Union joining in the majority, clearly states:

There shall be no suspension of the innocent passage of foreign ships through the straits which are used for international navigation between one part of the high seas and another part of the high seas or the territorial sea of a foreign state.

### How did the Arab states respond to Egypt's moves?

Cairo Radio, May 16, 1967: "The existence of Israel has continued too long... we welcome the battle... we shall destroy Israel."

President Aref of Iraq, May 31, 1967: "Our goal is clear — to wipe Israel off the map."

King Hussein of Jordan, June 2, 1967: "Our increased cooperation with Egypt and other Arab states... will lead us to the erasure of the shame and the liberation of Palestine."

Ahmed Shukeiry, head of the Palestine Liberation Army, June 3, 1967 (when questioned about the fate of the Jews if the Arabs won): "I think none of them will be left alive."

#### How did Israel react?

On May 28, Israel Prime Minister Eshkol called the blockade "tantamount to aggression" and announced an immediate mobilization of reserves. Foreign Minister Eban flew to the UN and to Washington, London and Paris to ask for concerted diplomatic action by the maritime powers in line with their 1957 pledges to assure Israel's right of free passage. The international response was slow and ineffective. The blockade continued and more Egyptian forces moved into Sinai.

On May 30, Jordan placed its army under Egyptian command; on June 4, Iraq did the same. Saudi Arabia, Algeria and Kuwait also contributed units for a *jihad*, or holy war. Egyptian artillery and Palestine Liberation Army guerrillas in the Gaza Strip began shelling agricultural settlements on the Israeli side of the border.

On June 5, Israel launched a preemptive air strike against major military airports in

Egypt and against Egyptian troop concentrations in Sinai and Gaza. Israel appealed to Jordan through the UN to remain out of the conflict, but King Hussein refused and his forces continued to shell the New City of Jerusalem.

The war was then extended to Jordan and Syria. When it ended on June 11, Israel held the Gaza Strip, the Sinai Peninsula and Sharm-el-Sheikh, formerly under Egyptian rule; the Old City of Jerusalem and the West Bank of the Jordan River, controlled by Jordan since the 1949 armistice agreements; and the Golan Heights of Syria. (See map facing p. 48.)

### How are territories occupied by Israel administered?

All the occupied territories are governed by a Military Administration. Health care, social services and old-age assistance programs are supervised by civilians from Israeli ministries.

On the West Bank, Arab judges preside over civil and criminal courts, which are open to the public. Arabs run their own schools, according to their former curricula, and in their language, but anti-Israel passages in textbooks have been expunged.

The border between the East and West Bank is guarded but open, and commerce between the two areas totalled nearly \$50 million in 1969. Taxes continue at Jordanian rates, far lower than Israel's.

Permits are issued for travel to Israel or to Arab countries. In 1969, more than 300,000 Arabs went to and from Jordan; many others commute to jobs in Israel, where they often earn considerably more than they did under Jordanian rule. Israeli agronomists have set up experimental farms to teach advanced farming methods.

In Jerusalem, Arabs and Jews move freely through the unified city. Old City Arabs now receive the same services available in the New City — including running water seven days a week instead of two, old-age assistance, insured medical services, free schooling to age 14. Most former employees of the Jordanian Old City administration work for the Greater Jerusalem municipality at Israeli salaries. Labor exchanges and branches of the Histadrut, Israel's national labor federation, have been opened to the Arab workers. Israeli authorities are working on a broad urban rehabilitation and slum clearance program.

Whereas, under Jordanian rule, only male property owners with assets over \$3,500 could vote, all male and female residents over 18 are now eligible; despite Arab propaganda urging a boycott of the city election, and death threats from terrorist groups, 10,000 Old City Arabs went to the polls in October 1969.

In the Golan Heights, the overwhelming majority of the population of 100,000 fled during the June 1967 fighting. Only about 6,000 people, mostly Druzes, remain.

Of the Gaza Strip's 358,000 inhabitants, approximately 175,000 are refugees of the 1948 war or their children, most of whom have been living in UN-supported camps for 20 years. Laws preceding the occupation are still in force. The Supreme Court, formerly dominated by Egyptians, is now composed of Palestinian residents of the Gaza Strip. Israel has imposed a series of security measures against terrorist activity, but military courts apply traditional Western safeguards for the rights of the accused. Captured terrorists receive stiff prison sentences and the homes of persons believed to have harbored or aided terrorists have been demolished. But not a single convicted terrorist has been executed.

Since the Six-Day War ended, Israel has brought many new social, educational, health and welfare services, including a building program of residential housing and public institutions, into the area. However, Arab terrorists treat acceptance of Israeli services as political collaboration, and some residents in the Gaza Strip and the other occupied territories have hesitated to work closely with the Israeli Administration for fear of reprisal or assassination by the Palestinian guerrilla groups.

# What was the effect of the Six-Day War on the Arab refugee problem?

Fear of being caught in the heavy fighting, and uncertainty about their fate under occupation, prompted an estimated
300,000 Arabs — over a third of them refugees for the second time in 20 years to leave their homes. About 150,000 Jordanians left the West Bank during the fighting and in voluntary migrations in the following weeks; between 80,000 and 100,000 Syrians left the Golan Heights before and during the fierce battle in this area; and an estimated 35,000 crossed the Suez Canal into Egypt from the Gaza Strip and Sinai.

Within a month after the war, Israel announced that persons who had left the West Bank could apply to return. Under programs negotiated with the Jordanian government and the International Red Cross, and the "family reunion" plan, about 15,000 displaced people came back to the West Bank by the end of 1969, more than 2,500 to Gaza, and about 450 to the Golan Heights. Syrian Druzes, who assembled outside the line of fire during the battle, quickly returned to their homes and farms when the fighting died down. However, several thousand re-entry permits remain unused.

The new refugees have strained the facilities and resources of UNRWA and of Jordan and Syria. The Syrians, however, refuse to enter into any discussions whatever with Israel. Solution of the overall refugee problem still depends on a comprehensive peace settlement between Israel and its Arab neighbors.

# What happened to Jews in Arab countries during and after the 1967 crisis?

Anti-Jewish outbreaks erupted in a number of Arab states before and during the Six-Day War.

In Iraq and Syria, where Jews have long been subjected to economic discrimination, police harassment and restrictions on travel and citizenship, the governments themselves initiated anti-Jewish measures. With the June war, arrests, interrogations and beatings became more frequent and scores of Jews were imprisoned. Some 60 Iraqi Jews are still held without charges, and at least 19 were killed, including 11 who were publicly hanged as "spies" in 1969.

The overwhelming majority of the close to 7,000 Jews in Syria and Iraq are eager to emigrate, but the two governments have forbidden them to leave. UN Secretary-General U Thant, in September 1969, expressed his concern for this "group of helpless persons," and urged the Arab governments to permit their departure. To date, his appeal has not been heeded.

In Egypt, in June 1967, police rounded up most adult Jewish males in Cairo and Alexandria, including the elderly and infirm, and carted them off to prison where they were beaten and humiliated. Late in 1967, through the intercession of West European governments, most of the several hundred prisoners were released on condi-

tion that they leave Egypt and give up their assets, but as of April 1970, some 80 Jews were still imprisoned. During the past three years, Egypt's Jewish population has declined from 2,500 to less than 1,000.

In Libya, the first week of June 1967 was officially designated "Palestine Week," and sermons were delivered in the mosques calling for a *jihad*, or holy war, against the Jews. On June 5, Libyan mobs murdered at least 10 Jews, destroyed synagogues and a Jewish school, and burned most Jewish stores in Tripoli to the ground. From June 1967 to the end of 1969, actual or feared persecution led all but 200 of Libya's 4,000 Jews to flee the country.

In Aden, Arab mobs attacked the Jewish quarter, beating an elderly Jewish leader to death. The entire Jewish community was later evacuated.

Even in generally moderate Morocco and Tunisia, there were violent demonstrations in which several Jews were killed and synagogues and communal institutions damaged. Authorities in both countries condemned the outrages and moved to prevent recurrences, and the Lebanese and Algerian governments took steps to prevent outbreaks against their Jewish minorities. Nevertheless, 20,000 Jews have left Morocco, Tunisia and Algeria, in fear. Some 3,000 persons — half of the Jewish community — have left traditionally tolerant Lebanon since June 1967.

Virtually all the refugees from these countries had to leave everything they owned behind when they fled.

#### ARAB TERRORISM AGAINST ISRAEL

How long have Arab terrorists been active against Israel?

In violation of the 1949 armistice, Egyptian-trained marauders (*fedayeen*) attacked Israeli border settlements until 1956, when Israeli forces destroyed the fedayeen bases during the Sinai Campaign. Since 1964, another violent-action group, the Palestine Liberation Organization (PLO), has been training refugees in Gaza, Syria and Iraq for a "Palestinian Liberation Army," as a vanguard "for the liberation of the usurped part of Palestine."

Syria used her army units to shell Israeli border settlements before the 1967 war and continues to aid Arab terrorist bands. The most active of these is the *Fatah*, whose storm troops, *El Asifa*, have made repeated terrorist raids on Israel from Jordan and Lebanon since early 1965, bombing homes and sabotaging railroads and other public utilities.

In May 1967, UN Secretary-General Thant told the Security Council that "Al Fatah activities ... [were] a major factor" in the Middle East crisis, and noted that "some recent incidents ... seemed to indicate a new level of organization and training" among the terrorists.

Fatah recruits are exempted from military service by various Arab states. Libya has levied a special income tax to finance the *jihad*, or holy war, against Israel, and Algeria and Communist China have pro-

vided training for terrorist leaders. Other funds for guerrilla salaries and arms come from the oil-rich Arab states. Kuwait and Iraq grant their government employees leave to enlist.

Since the Six-Day War, the Fatah and PLO have merged, drawing increasing support from Palestinian refugees in Jordan and Lebanon. Relations between the commando groups and the governments in these two countries have been strained and there have been occasional armed clashes.

Several newer terrorist groups are currently competing with the *Fatah*-PLO for Arab support. One of the most militant is the Popular Front for the Liberation of Palestine, which has damaged the American Embassy and U.S. banks, refineries, and other facilities in Lebanon. The Front also claims credit for supermarket, school and tourist bus bombings in Israel, as well as for the spate of hijacking and bombing of planes bound for Israel.

# What is the chronology of Arab terrorist attacks against airline service to Israel?

July 23, 1968: An El Al plane bound from Rome to Tel Aviv was hijacked to Algiers; 21 Israelis aboard were held prisoner for a month and were finally exchanged for guerrilla prisoners in Israel.

December 26, 1969: An El Al plane was attacked at the Athens airport; one passenger was killed and a stewardess injured. (On December 28, 1968, Israel retaliated,

<sup>40</sup> 

destroying 13 planes at the Beirut airport, but causing no injuries or loss of life.)

February 18, 1969: An El Al plane at Zurich was ambushed; one of the pilots was killed, and five other persons were wounded. (An Israeli security guard on board killed one of the four attackers.)

August 29, 1969: A TWA plane bound from Rome to Tel Aviv was hijacked to Damascus; Israeli women and children were detained for several days and two Israeli passengers were held prisoner for four months before being exchanged in December for 13 Syrian prisoners in Israel.

September 8, 1969: Two Arabs threw grenades into El Al's Brussels office, injuring two people.

November 11, 1969: An Arab grenade blew up El Al's Athens office and killed a two-year-old Greek boy.

December 22, 1969: At the Athens airport, three Arabs were arrested carrying guns, grenades and mimeographed plans for hijacking a TWA flight to Israel.

February 10, 1970: At the Munich airport, Arab terrorists opened fire on passengers waiting to board an El Al plane to Tel Aviv, killing one Israeli and injuring 11 other persons.

February 21, 1970: A Swissair plane bound for Tel Aviv exploded and crashed soon after takeoff; all 47 people aboard were killed.

February 21, 1970: An Austrian plane carrying mail to Israel was damaged by an explosion en route to Vienna.

## How successful are the terrorist activities against Israel?

Despite occasional, much-publicized destruction and bloodshed, terrorist attacks have not disrupted normal life in Israel, nor affected the increasing flow of tourists to the country. Most neutral observers believe the terrorists do not pose a significant military threat.

### GOALS AND OBJECTIVES

## What steps did the UN urge after the June 1967 war to assure peace?

After protracted debate, the UN Security Council, on November 22, 1967, unanimously adopted a British resolution calling for both "withdrawal of Israeli armed forces from territories occupied in the recent conflict" and an end to "all claims or states of belligerency" with "respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force."

The resolution also calls for guaranteed "freedom of navigation through international waterways in the area" and "a just settlement of the refugee problem."

The Secretary-General was asked to appoint a Special Representative to go to the Middle East "to establish and maintain contacts" with the Arab states and Israel "in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement" in line with the resolution.

#### What has been the result of the UN efforts?

Dr. Gunnar V. Jarring, the Special Representative appointed by Secretary-General Thant, held numerous meetings with officials of Israel, Jordan and the United Arab Republic, the states which had accepted the November 1967 resolution. (Syria, which denounced the resolution, refused to see him.) Efforts by Dr. Jarring to bring the parties together under his auspices at a neutral location were vetoed by UAR President Nasser.

Since 1969, in an attempt to end the stalemate, the United States and the Soviet Union have held bilateral talks and the UN representatives of England, France, the U.S. and the U.S.S.R. also began a series of discussions. The Big Four agreed that any settlement would have to be "a package deal" solving all outstanding issues. However, as of April 1970, the major powers and the belligerents were still far apart on many issues.

Jordan and Egypt have refused to end their state of belligerence unless Israel withdraws its forces from all occupied territories and implements earlier resolutions on refugees. Israel and the U.S. argue that the November 1967 resolution is not

self-implementing, but requires negotiations between Israel and the Arab states to reconcile their differences. After a binding peace treaty is negotiated, Israel says, she will withdraw her forces to the "secure and recognized boundaries" mutually agreed upon in these treaties.

### What factors are responsible for the arms race in the Middle East?

In 1950, the U.S., England and France pledged joint efforts to bar forcible change in the Arab-Israel frontiers and to maintain a military balance between Israel and the Arab states. Intensification of the Cold War, however, led to renewed Soviet challenge of Western political and economic influence in the Middle East.

Military experts estimate that between 1955 and June 1967 the U.S.S.R. and Czechoslovakia supplied the "revolutionary" Arab states of Egypt, Syria, Iraq and Algeria with \$2½ to \$3 billion in arms. In response, the United States and its European allies provided nearly \$1 billion in arms to pro-Western Arab states, including Jordan, Lebanon, Saudi Arabia, Tunisia and Morocco, and also sold about \$1 billion in arms to Israel.

Since June 1967, France has imposed an embargo on all arms sales to Israel but has sold 110 supersonic Mirage jets to Libya. The Soviet Union has rearmed Egypt and Syria and has rejected repeated American proposals for a Great Power agreement to



MILITARY STRENGTH OF ISRAEL AND THE ARAB STATES

From The Christian Science Monitor, April 3, 1970. Joan Forbes, staff cartographer. © 1970 The Christian Science Publishing Society. All rights reserved.

curb the Mideast arms race. By May 1970, there were reported to be some 10,000 Soviet military advisors in Egypt, including 150 Soviet pilots flying Egyptian planes.

What solution do the Palestinian commandos propose for the Middle East crisis?

At a conference in Cairo in July 1968, the Palestine Liberation Organization (PLO), which includes *Al Fatah*, adopted a Palestine National Covenant proposing the dissolution of the state of Israel and its replacement by a "democratic state" of Palestine which would be "part of the Arab Nation." The Covenant declares that only those "Jews who were living permanently in Palestine until the beginning of the Zionist invasion will be considered Palestinians."

A PLO spokesman in Beirut in January 1970 proposed that Israeli Jews of European origin emigrate and that Jews of Middle East origin — who today constitute the majority of Israel's population — be invited back to the Arab countries from which they fled.

Israelis regard the Palestinian plan as a propaganda tactic designed to project a liberal and humanitarian image abroad and to overcome worldwide revulsion at earlier Arab threats to destroy Israel and "drive the Jews into the sea." Other Middle East observers point out that though some of the younger Palestinians may well be sincere in their desire to establish a tolerant, pluralistic society, the record of the Arab

states in the treatment of minorities — Jewish and Christian — under their control offers scant confidence in the possibility of achieving such a goal.

## Why does Israel reject proposals for a bi-national Arab-Jewish state?

Israelis point out that earlier proposals for a bi-national state had long been rejected as unrealistic by most neutral observers, and that this was why the UN Partition Plan envisioned separate Arab and Jewish states in Palestine. The bulk of the territory allocated for an Arab state was seized by Transjordan and Egypt in 1948. They also point out that there are 18 independent Arab states already in existence — most of them Moslem by law and tradition — and that Palestinian Arabs constitute two-thirds of the population of Jordan and hold key positions in its government.

"We want this country to be a Jewish nation the way France is French, Ghana is Ghanaian, Argentina is Argentinian," Foreign Minister Abba Eban told a group of American newsmen in November 1969. "Of course we are a pluralistic society, not homogeneous. There is a Moslem population and a Christian population. We want the Arabs to keep their language, culture and pride. We want the Christians to keep their identity. The basic aim of the State of Israel is to have one independent state among 126 which expresses the Jewish culture, tradition and heritage."

# What kind of help does Israel want from the United States?

Israel has sought economic loans to develop its economy, and permission to purchase U.S. military equipment for its defense. Israeli leaders have repeatedly made clear that they do not want direct American military aid:

We know that if we wish to preserve our freedom and independence we must learn to do everything we need by ourselves. ... If we are attacked, we must defend ourselves. And if defense calls for sacrifice, it must be our blood that is offered up in sacrifice and not the blood of anyone else.

-The late Prime Minister Levi Eshkol January 1968

## What are Israel's objectives in the Middle East?

Our answer is ... to reiterate the fundamental principles of our policy: the cease-fire, negotiations, a final and recognized definition of frontiers, discussion of the refugee question at an international level, and the establishment of a permanent peace with a view to setting up a community of sovereign states in the Middle East.

> -Foreign Minister Abba Eban February 25, 1970

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### ADDRESS BY ANDREW J. YOUNG NATIONAL EMERGENCY CONFERENCE FOR PEACE IN THE MIDDLE EAST

JANUARY 25, 1970

It is probably fair to say that shifts in middle East policies are lubricated by a very considerable amount of oil. Governments are never easily swayed by mere ruoral considerations and they can become impossibly materialistic and opportunistic where one of the earth's major oil reserves is concerned. We would be performing one of the great acts of self deception if we ignore the oil interests involved in the current re-examination of American Middle East policies.

As a Black Man, I have agonized for the past year over the tragic spectacle of Black Men killing each other, knowing that if there were no oil in Biafra, the intensity and tenacity of the conflict would have been infinitely less. Both sides would have had few concerned allies if tribal rivalries alone were the main issue rather than oil.

We are witnessing in the United States a naked and blatant intervention of big corporate influence in international policy. This is perilous because by definition, they are strictly centered in profits.

Such intervention has made a mockery of the Constitution and relegated serious foreign policy decisions to third and fourth level "management men" operating abroad. This is especially true of our Latin American policy, with the Dominican Not only is Israfi Security Endencered by this trand, intervention being a classic example. but oll American formed formed and American future is Endencered by Composite interference in the affairs, of Nation's. If a small nation is in the way of a mega-multi-national corporation, that small nation may well be sacrificed on the altar of corrupt power and influence which

stands at the center of governmental agencies. With two highly secret agencies operating in foreign affairs - the CIA and FBI - no Congressman or Senator can be sure where decisions are coming from and on what they are based.

We must never forget that we have hundreds of corporations that are in themselves richer and more powerful than over half the nations of the world. It is naive to assume that they do not have active intelligence and foreign policy sections and that they do not work aggressively to create political and military situations which are in their own selfish interest. Israel is threatened by this tragic process. She has no oil to barter for her national independence. There is very little about Israel to make it ; interesting to the oil cartels, in fact, she has threatened their ability to exploit the Arab world by coming into an arid wasteland and creating a modern industrial state. There she stands as a constant reminder to the Arab world that a has dimenstrated that deid despate can be She better life is possible in the middle East. Made Eatile and that Dovecing, disease and not permised states of existence I could get into a discussion of the many complex questions that are involved in the Israeli-Arab conflict. There are border questions, refugees, religious shrines and age old antagonisms. However, only one question is crucial, the right of Israel to survive as a state in Peace. The oil interests are at best indifferent to this fundamental question and some may even be hostile. - It is also my thinking that the Nixon Administration is more receptive to corporate influence than any administration in my lifetime.

OWL BOOK

The outlook is bleak unless the great corporations' influence is neutralized by a greater force----the conscience of the people of the nation.

This administration is admittedly un-imaginative and wanting for conscience, yet it is incontestably prudent and calculating. It has seen how close to disaster a previous administration came when it dis-regarded warnings and plunged head long into the Vietnamese obscenity. We should be able to convince President Nixon that an overwhelming majority of the American people are uncompromisingly determined that Israel's right to survive should not be traded for barrels of oil. Jews and Gentiles alike would be greatly disturbed by back-door deals which trade off a proud and oftpersecuted people for oil reserves.

On this issue the American people will stand firm. We are not likely to stand by and wring our hands amid another genocidal plot. Blacks especially, are sensitive to the issue of survival and the attempts at manipulation of their destiny Flade sympathy for the underdoc has been thereatened by them relations with by corporate influences. A Top Often, however, they have felt that American Jewry has been their exploiter rather than their ally. Israel as a nation has a far better record of concern for the under-priviledged, exploited peoples of the world than In spite of her staucche for surinval, Israel his kept some of her brothers here in America. out the hand of technical disciplance, economic and and Educational opportunity to Place there of peoples. Where survival is truly at stake, the Black Community will rally with the oppressed. However, we must avoid panic over such trifles as supposed Black anti-semitism which exaggerate tensions rather than ameliorate them. There is an objective record which indicates that Blacks are no more guilty of predjudiced They vikites of similar class reducational levels; this is all the more remarkable in view attitudes toward Jews, in-spite of the fact that the Black man is thrown in direct contact with Jews who are struggling desperately to make it in a highly competetive and ruthless business world. There is no threat to American Jewry-even in the deep South where they are in a very small minority.

We can summon the strength of the American people in behalf of Israel's survival and neutralize or subdue the power of corporate influence. The issues must be kept clear and to the point. The security and safety of Israel must be the dominant note to reach the greatest number of Americans of Good will. This need not compromise the right of Israel to do it's own negotiating.

PAUE FOUR

Americans We should have learned from Vietnam that the North Vietnamese cannot speak for the Viet Cong and that the U. S. is limited in it's ability to set terms of compromise for the South Vietnamese.

Israel is not dealing with secure nation states that can control and discipline the Palestine Liberation Front. The influence of the so called major powers is of little value in a hostile geurilla enclave, and Israel is afforded little security by such top level agreements.

There can be Peace in the middle east but only in terms worked out in detail by the beligerents themselves.

For Israel, Peace means security. It is their right to survive and continue to grow as a nation.

For Arabs, Peace is development. Their real war is against hunger, disease and illiteracy. The real issue in the Arab world is survival of a people against the enemies of their enviorment and domestic life. I suspect there will be no Peace and Security for Israel until there is Peace and Development for the Arab World.

This is a conflict for which there is no military solution. In the final analysis Peace in the middle east must come from the minds and hearts and hands of men. It cannot come from the barrel of a gun.

3

It is an audacious assumption to suggest to a people in a minority and surrounded by hostile nations that their survival can only be assured through non-violence. I dare to make that suggestion.

Negotiations must replace armed conflict and non-military aid must move through out the middle East so that the hungry might be fed, the homeless housed, the sick healed and the blind given sight to see that those whom they thought to be enemies are really their brothers.

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Rabbi Tanenbaum- - WINS

#### It was reported in Cairo last week that the arab

intensity international

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League's information committee had begun a week-long meeting to plan a propaganda

campaign against Israel and to discuss proposals for a pan-Arab public relations

company.

Those of us who have observed the workings of Arab

propagandists in the United States are hardly convinced that the Arabs have

waited for the outcome of the Cairo conference before beginning their activities A recent study by reports that since the June 1967 Conflict, Arab League governments have spent in the United States Some \$10 million for anti-Israel propaganda. here. In New York City, for example, pro-Arab front groups, headed by coverat-Several

Protestant clergymen, have recently published and distributed widely and the month month of the old Testament Zionest?" written by an American miscipacity to prove that there is no continuity between modern Israel and ancient Israel. Benerican

Judian, these document insist, has been superseded by Christianity, which is the

new Israel.

### a regressive,

This is the 19th century, pre-ecumenical view of

that is being used to

Judaism that (argues there is no religious and historic basis for the Jewish claim

to modern Israel.

The debate in the UN Security Council last week also

demonstrated how religion and politics can be used and abused. Here, too, Arab

Tanenbaum- WINS 2

basic beliefs of the

delegates attacked the Jewish religion in order to make their political points.

Sadly, this kind of attack has won some acceptance in Christian circles.

Unfortunately, since the June, 1967 Middle East community. Involving both advances and regressions in mutual understanding between the contradictions have marked Jewish Christian relationships, On the one two Communities

hand, a growing number of Catholic and Protestant bodies have taken significant

steps to combat anti-Semitism. Leading Christian scholars have stressed the (of permanent value to the Jewis in the Divine plan, for maulinid,

fact that Judaism is a living tradition, and that Israel and the city of Jerusalem

have unique historic, cultural and religious meaning for the Jewish people.

On the other hand, a small but vigorous minority of Christian

clergy with missionary interests in the Arab countries is sponsoring and which slides off from political disseminating antimin Arab anti-Israel propagandad cviticism into a basic hostility often couched in theological terms which denigrate Judarsm as a faith.

Now, no one would deny that in the free marketplace of

ideas, the Arab governments and their sympathizers have a right to make their

case. The anxiety in the Jewish community grows out of the fact that much of apart from being one-sided and therefore distorting truth and impeding the purcuit this propaganda spills over into Enti-Jowish attacks on Judarsm and the Fruich people

The problem must be faced. The current Middle East crisis

is obviously a source of concern to all people who seek peace and justice for including the Avab refugees and the oppressed Jews in Avab countries. all members of the human family, It is to be hoped that responsible Christians

### TANENBAUM- WINS 3

ng role between play a and Jews will seek to reconcil Arabs and Israelis rather than allow the

ARCHIVES

continued polarization that this Arab propaganda fosters.

51 Plympton Road Sudbury, Mass. 01776 November 15, 1970

Rabbi Marc H. Tanenbaum The American Jewish Committee 165 East 56th Street New York, N.Y. 10022

Dear Rabbi Tanenbaum,

Here is a more recent edition of the paper I sent you a few weeks ago entitled <u>An Alternative to War in</u> the <u>Middle East</u>. I think it more adequately reflects the opinion on both sides of the issue.

Is there any possibility that I might come to see you at your office? I would like very much to hear your views on my proposal. For about two weeks, starting on the 18th of November, I will be in New York. I'll call your secretary to see about arranging an appointment.

Richard H. Forber

Richard H. Forbes

# AMERICAN JEWISH A R C H I V E S

### An Alternative to War in the Middle Mast

by Richard H. Forbes November 10, 1970 In searching for a peaceful settlement in the Middle East it is important to recognize the need for extraordinary measures, for the world is witnessing a confrontation between some of the most powerful emotional, ideological and spiritual forces of our time. The atmosphere of violent hatred and mistrust which characterizes the relations between the belligerents, combined with the determination of the superpowers to stand firm in the defense of what they consider to be their vital economic and political interests has produced one of the most dangerous international situations of modern times, a situation in which the greatest military powers in history could be drawn by events outside of their direct control into an armed confrontation. Such a confrontation could well be the beginning of a third world war.

While the gravity of the situation has certainly not been ignored and, indeed, would appear to have resulted in the exercise of considerable restraint on both sides, it must, nevertheless, be admitted that until the issues behind the conflict are resolved to everybody's satisfaction the Middle East will continue to be a breeding ground for international hostilities of all kinds. Although "restraint" may be the watchword of the moment, there is no guarantee that it will continue to be so in the future. It is, therefore, vital that advantage be taken of the current cease fire to put forward a plan for the resolution of the differences between the two sides and the creation of a framework which will help prevent conflict in the future.

D

As a minimum such a plan should lead to the accomplishment of the following goals:

- Each nation in the area must have the right to live without threat of attack or extinction.
- 2 More than one million Palestinian Arab refugees must be settled justly. Their legitimate political and economic aspirations must be recognized.
- 3 Rights of passage through international waterways must be preserved for all nations.
- 4 Secure and recognized territorial boundaries must be established in order to achieve respect for the political and territorial integrity of all states in the region.

There is no quick or easy way to achieve these goals, no way to impose a solution or produce a skillfully engineered diplomatic agreement. Any such solution would inevitably break down with the first minor infraction of the terms. The gulf of hatred and fear is far too wide.

If a peaceful settlement is ever to be achieved it must be done by developing a wholly new approach which will be capable of providing the nations of the Middle East with a positive alternative to war — an incentive to forget the past and look to the future.

There is a way in which this might be done. It would involve the nations of the world in a major cooperative effort and would require an extensive commitment of resources, but because the long term benefits would be very great it would be a workable plan.

#### THE PLAN

The northwestern corner of the Sinai Peninsula, an area of approximately twenty square miles, would be purchased from Egypt by the United Nations. This area, which includes an undeveloped natural harbor, would provide the base for an international citystate to be developed and governed by the U.N. and to serve, eventually, as the international organization's new home.

The rest of the Sinai Peninsula would be leased to the U.N. by Egypt, contingent upon the withdrawal of all Israeli forces. This lease would give the United Nations the right to occupy and develop the peninsula, and the U.N. would agree to pay Egypt a fixed percentage of all income thus generated. Egypt would resume political and economic authority over all population groups and economic concessions which existed on the Sinai prior to the 1967 war and would have exclusive rights to all income derived from these sources. Income generated in the international city (the twenty square miles) would belong exclusively to the U.N.

Since the Sinai Peninsula is mostly uninhabited, except for the Israelis, it could provide a truly neutral home for the United Nations. It would give the U.N. a viable geographical and political base and, in time, a viable economic base. The U.N. would be centrally located in an area that could eventually provide a true bridge between East and West. In addition, because it would be totally new the city could be conceived and constructed as a model incorporating the best ideas from all over the world. It could become a true synthesis of all cultures, all races, all technologies, all art forms and all

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political and economic systems. With the passage of time such a city might even become the center of a true world government.

Once the U.N. took over control of the Sinai Peninsula many of the most important causes of the current conflict would disappear. An effective buffer state would be created between Israel and Egypt, thus allowing Israel to withdraw her forces and providing the Egyptian government with a persuasive reason for not pursuing the war.

As a result of its authority over the Sinai the U.N. would control the Straits of Tiran and would share control of the Suez Canal. Thus, the Egyptian government would no longer be in the uncomfortable position of having to exclude Israeli shipping from these two vital waterways in order to placate Arab public opinion. Once Israel was guaranteed access to the Suez Canal and the Straits of Tiran one of the most serious obstacles to peace would be removed.

In addition, it can be assumed that the construction of an international city and the development of the Sinai would provide the entire region with real economic advantages. To begin with, such activity would create quantities of jobs for people who desparately need them — especially the Palestinian refugees. It would be quite possible for the U.N. to create an agency for the training and job placement of these people. Such an agency might also be given the responsibility of providing housing for the workers and education for their children until such time as these things could be provided through the normal channels of economic and political activity.

Another economic advantage would be the "overflow" from the development of the resources of the peninsula. The whole area could

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become a "proving ground" where the vast technological resources of the world could be applied to such diverse fields as hydrology, desalinization, ecology, pollution control, mining, agriculture and industry in much the same way that the United States and Russia developed the technology of space. In this instance, however, duplication of effort would be minimized.

One final economic advantage which could result from the plan would be the stimulation of trade, both in the region itself and with the rest of the world. The United Nations would be well suited to serve as a neutral medium for communications, transportation and commerce between the hostile nations, thereby hastening the development of mutually advantageous normal relations. In addition, it is more than likely that the new city-state would become an important center for international trade since it would be able to offer important geographical advantages for manufacturing, business, and, especially, shipping.

### THE POLITICAL SETTLEMENT

While the merits of the plan may appear obvious from a purely logical point of view, it must be admitted that logic is not enough to calm the hatred and fear which are the primary motivating forces behind the struggle. The fiercely emotional climate has grown out of a seemingly irreconcilable conflict between the dual nationalisms of the Arabs and the Jews, greatly compounded by the existence of a large body of homeless Arab refugees which can not and will not be absorbed by the nations surrounding Israel. As recent events have illustrated, these refugees have developed a militant nationalist feeling, and in the frustration of their economic and political ambitions they have

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become quite desparate. Until a political settlement is worked out for this particularly difficult problem, it is unlikely that the plan presented here will ever gain acceptance in the Arab World.

It is, therefore, vital that the implementation of the plan be contingent upon the resumption of peace talks with full participation by the leaders of the refugees. The plan would provide a much needed incentive for the successful conclusion of such talks by holding out to them a promise of great future benefits for their people, many of whom could be absorbed by the new city-state and given decent homes and good jobs. If, at the same time, Israel could be encouraged by offers of long term loans and other forms of assistance to offer the refugees a choice of accepting substantial reparations payments or being resettled with full economic and political rights in either Israel or a new Palestinian state which could be created on the West Bank of the Jordan, then there would no longer be any reason for war. Israel could be recognized as a sovereign state, and boundary disputes could finally be settled. The Palestinian guerillas now held prisoner could be released, and all the nations of the Middle East could, at last, begin to devote their full attention to solving their vital economic and social problems. In doing so they would be safe in the knowledge that their rights to self-determination were being protected by the new international city-state whose presence would insure the access of all nations to the region while prohibiting its domination by any one power.

For centuries the economic, political and social development of the Arabs has been blocked by the struggles of great powers to dominate the Middle East. Such a struggle is currently taking place between

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the United States and Russia. The reasons are not difficult to understand, for aside from the vast economic potential of the region itself, the Suez Canal and the Sinai Peninsula provide the only links between two of the most important bodies of water in the world, on the one hand, and between the world's two largest land masses on the other. As History has amply shown, any power which has been able to dominate the Middle East has been able to dominate much of the globe. Conversely, failure to control the region has almost invariably led to the swift dissolution of even the mightiest of empires.

If the world is ever to live in peace and, in particular, if the nations of the Middle East are ever to be left free to determine their own futures, it is essential that this most vital of all regions become the center of a new kind of international cooperation. Otherwise, continued international competition will lead us inevitably to selfdestruction.

### IMPLEMENTATION OF THE PLAN

The implementation of this plan will not be easy. To begin with, the United Nations in its current form is not well equipped for such an undertaking. Plagued by one of the world's most cumbersome bureaucracies and hamstrung by the insidious power of the veto, this organization which was once the hope of the world has gradually slipped into disrepute. As one diplomat said, according to the September 28th edition of <u>Newsweek</u>, "It's an achievement of sorts to endure 25 years. But it's always now that counts, and right now we're in trouble. Hope and energy drain away over the years. I'm tired. And so is the United Nations. We need a transfusion and we need it soon."

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The plan presented here can provide the necessary transfusion. However, the question still remains, can the patient respond to the treatment? Is the U.N. capable of rising to the challenge? The only sure way to answer this question is to let the United Nations decide for itself.

If the U.N. does decide to implement the plan certain things will have to be done. Initially, a commission will have to be appointed to prepare an in-depth study of the proposal, including detailed surveys of the land area, analyses of diplomatic and legal questions, site plans, cost estimates and so on. Such a study will present no insoluble problem.

A problem of much greater magnitude will arise when and if the decision is made to follow through, for it will then become necessary to generate large amounts of capital and develop an effective administrative structure capable of carrying out the plan without the usual bureaucratic red tape. Either the U.N. will have to substantially alter its charter (highly unlikely) or it will have to create a separate and independant political body with complete authority to raise and spend money for the project. Ideally, the delegates to such a body should be elected directly by either the governments or by the people of the member states and should be free to exercise their votes as individuals — without direct control by their governments — during their term of office. This body should continue to have exclusive authority over the city-state after it is built, while the present body should maintain its authority over all other issues.

There will be many initial problems that will have to be solved

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before the city can be built. To begin with, it will be necessary to develop sufficient sources of both water and power. Until these are in existence the city-state will probably have to depend on Egypt via the Nile and the Aswan Dam. Harbor facilities and an airport will also have to be developed before much else can be done.

These and other problems stemming from the isolation and desolation of the Sinai Peninsula will all have to be solved. Some will probably present serious obstacles. Nevertheless, there is ample evidence to indicate that such difficulties are not insurmountable. A particularly relevant case in point is Israel which has accomplished wonders in a similar environment with nothing like the resources that will be available to the U.N.

One final problem which must be considered stems from the fact that Israel will most likely be reluctant to withdraw from the peninsula until the project is well under way. At the same time, it is doubtful that much can be accomplished until she has withdrawn. Luckily, a solution to this dilemma has already been suggested by Amitai Etzioni, Director of the Center for Policy Research in New York.

In an article which appeared in the September 18th edition of the <u>Washington Post</u>, Dr. Etzioni, who is considered pro-Israel by most Arab sympathizers, proposed that Israel could, without greatly damaging her defensive positions, withdraw the Bar Lev Line — the string of fortified bunkers which constitutes her frontline — to a position some 30 odd miles from the Suez bank. This would have the advantage of placing the line out of range of the Egyptian artillery

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and missiles while providing the world (and Egypt) with a solid indication of Israel's good intentions.

United Nations peacekeeping forces of the traditional variety could then be stationed in the buffer zone which would thus be created between the two armies, and work would be able to proceed on the city. Once the U.N. had established itself on the peninsula, Israeli forces would withdraw entirely.

#### CONCLUSION

One of the sad ironies of the current situation in the Middle East is that the United Nations was the instrument most immediately responsible for the creation of the State of Israel, and thus, for the existing state of war. At the same time, the U.N. has thus far been totally unable to maintain peace in the area — though it has tried valiently on numerous fronts and on numerous occasions.

The problem is that the organization has no real power and never will have as long as it is obliged to rely entirely on moral force, persuasion and diplomacy. Until the United Nations acquires a real, viable, self-sustaining economic base, it will never be a real power in the world. For this reason it is vital to the U.N. and vital to the cause of peace that this plan be implemented.

Once the United Nations holds and develops the Sinai Peninsula it will begin to exercise an important influence over international affairs. Imperceptibly at first, but then, as the political and economic benefits of the city-state become more apparent and as the city becomes increasingly important as a central market place for the world, the United Nations will acquire some real muscle to back up its moral pronouncements. When this happens, we will have a base, not only for a peace-keeping force in the Middle East, but for a true world government.

\* \* \* \* \* \* \* \*

# AMERICAN JEWISH A R C H I V E S

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# AMERICAN JEWISH

Date: December 8, 1970

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TO: MARC TANENBAUM

FROM: MORRIS FINE

P.

FOR YOUR INFORMATION.

November 19, 1970 Milton Ellerin Judah Graubart Clovis Maksoud

On Wednesday night, November 11th, I attended a small dinner given in a private home, for Clovis Maksoud, the Assistant Editor Al Ahrem, the Egyptian newspaper. After the dinner, he spoke and answered questions from the audience of 30-40 guests.

Maksoud's basic theme was the need for better United States understanding of the Arab position in the Middle East. After enumerating some of the theoretical and psychological reasons motivating United States support of Israel (e.g., western guilt for the holocaust), he went on to enumerate what he believed were the obstacles to better U.S. - Arab relations.

The first obstacle is to be found in the manner that Israel plays upon American politicians (according to Maksoud). Dividing United States Senators and Congressman into conservative legislators on the basis of "the cold war logic of the 1950's." That is, by constantly harping on the menace of Russian intervention in the Middle East, and the need to counter it with a strong Israel, the Israelis are thus able to mobilize conservative political support for their cause.

Regarding the liberals, while they too respond in terms of American interests in the Middle East, their real reason for doing so, (according to Maksoud), is that if they fail to respond, they'll be accused of anti-Semitism, an accusation which no good liberal could abide. Though he didn't say so, in effect, it sounded to me as if he was claiming that while the Israelis speak to the liberals in terms of American interests, their hidden agenda with them is the threat of labeling them as anti-Semites.

Regarding liberal Senator s, who support Israel, yet oppose the war in Viet Nam (as examples he cited Senators McGovern, and Kennedy), Maksoud said in an off-the-record and unofficial statement that he considered such attitudes "hypocritical", and the result of a "double standard."

Also in the matter of political support for Israel, Maksoud spoke at length about the "Zionist lobby", which, he claimed, goes into action as soon as there is any wavering in United States support for Israel. To document the charge of a "Zionist lobby", he referred to the fact that many Jews financially support the campaigns of certain Congressmen and Senators, thus obligating these legislators to respond to pressures from their Jewish constituents on matters of importance to Israel. Maksoud cited two examples. The first was the repetition of part of a conversation he allegedly had with Congressman Henry Fowler of Washington, in which Fowler said, according to Maksoud, that regardless of the rightness or wrongness of the Arab position on the Middle East, he had to support Israel because of his large number of Jewish contributors. Maksoud also claimed that in a recent (unspecified) television program, Senate Majority Leader Mike Mansfield said he supported Israel because of a large Jewish constituency.

Although Maksoud said he believed the Arabs had an uphill climb in the battle for public opinion, he believed especially in terms of America, that they would gain strength. He pinned this hope on three circumstances. The first was the growing support of the academic community. While he admitted that college professors do not yield a great deal of political influence, nonetheless, he felt their support was important. Secondly, Maksoud said that the growing identification of black people in the United States who are struggling for equality would come to identify in growing numbers with the "oppressed" Arabs who are also "struggling" for equality against the "racialistic" doctrine of Zionism.

Thirdly, Maksoud said he was heartened by the growing number of young Jews who are rejecting the concept of a special Jewish relationship to Israel. Fourth and finally, he stated that he was heartened by what he called the "Politics of the New Generation", which has become more skeptical and examining of American Foreign policy (as in Viet Nam and elsewhere), and which he believes will become increasingly skeptical of the American commitment to Israel.

The speaker also made numerous references to the usual propaganda concerning alleged Israeli atrocities, the interpretation of Israel as being a state which is usurping legitimate Arab lands, etc.

Accompanying Maksoud was Hassan Abdullah, the Director of the Arab Information Office in Chicago, and to whom the speaker referred to as the "Jordan Consul General", a position that I was not previously aware he held.

I must grudgingly confess that Maksoud was extremely effective. Most of the individuals who attended the meeting were no sophisticated about the Middle East, and were quite swayed by his ability to articulate the Arab course.

On the whole, it was not a very pleasant evening.

JG:pc

cc: Simon Segal George Gruen Will Katz Isaiah Terman

## AMERICAN JOURNAL OF INTERNATIONAL LAW Vol. 64 September, 1970 No. 4

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## LEGAL ASPECTS OF THE SEARCH FOR PEACE IN THE MIDDLE EAST

By Eugene V. Rostow\*

The topic set for the discussion tonight - legal aspects of the search for peace in the Middle East - must of course be examined, like any other legal problem, in the context of history and policy. The processes of politics which have been at work in the Middle East for more than sixty years make the famous Near Eastern Question of the nineteenth century seem like a children's game. The Near East has in fact plagued world politics for centuries. Disraeli's celebrated remark could have been made by nearly all his predecessors, and by all his successors. Over and over again, local rivalries, conflicts and enmities, bitter in themselves, have become irreconcilable when linked to the conflicting aspirations and fears of world Powers.

Since the focal point of our concern is the present and the future, I shall do no more than recall the break-up of the Turkish Empire, and the rise of Zionism and of Arab nationalism, during the first World War; the dissolution of French and British security positions, during and after the Second World War; the emergence of Soviet ambition in the area, and its connection first with the Zionist cause, as a device to drive the British out of the Eastern Mediterranean, and then with the Arab dream of destroying Israel, as the catalyst for transformations greatly in its interest; and the special role of the United Nations in the creation of Israel in 1947, and in the wars and controversies which have swirled around it ever since.

Against this background, and that of customary international law, the effort to achieve a condition of peace in the Middle East - or at least a condition of peace between Israel and its neighbors - is taking place within a sharply defined legal framework. Three sets of documents are of primary importance in delineating that framework: the Armistice Agreements of 1949,<sup>1</sup> the Cease-Fire Resolutions of the Security Council,

\* Sterling Professor of Law and Public Affairs, Yale University.

1. 42 U.N. Treaty Series 303, No. 656 (1949) (with Jordan); ibid., 327, No. 657 (1949) (with Syria); ibid., 251, No. 654 (1949) (with Egypt); ibid., 287, No. 655 (1949) (with Lebanon). of June, 1967; and the Security Council Resolution of November 22, 1967.<sup>3</sup> Other documents and rules of law are germane - the Tripartite Declaration of 1950,<sup>4</sup> for example, and successor statements, including the Eisenhower Middle East Resolution of March 9, 1957, which was amended and reaffirmed in 1961;<sup>5</sup> the Security Council resolutions on belligerency, the Suez Canel, and many other subjects; and the 1958 Convention on the Territorial Sea.<sup>6</sup> But the three documents I first listed dominate the problem, because they represent and embody rare moments of agreement on basic issues, made by the parties, and supported by the great Powers.

In view of my involvement in these problems for a time as an official of our Government, let me make explicit what will in any event be plain; that I shall take a position here which represents not only my personal and professional opinions, but those of American policy as well - American policy, be it said, increasingly conscious of Soviet penetration of the Middle East, and necessarily concerned to prevent Soviet hegemony.

I shall start, if I may, with Security Council Resolution No. 242, of November 22, 1967, for I consider it to be primary. That resolution was achieved after more than five months of intensive diplomatic effort on the part of the United States, Great Britain, Denmark, Canada, and a number of other countries. The history of that effort gives the text a very plain meaning indeed.

It will be recalled that when large-scale hostilities erupred on June 5, 1967, the Soviet Union blocked American ceasefire proposals for several days, until it realized what was happening in the field. Then, when the Cease-Fire Resolutions were

- 2. Security Council Res. 233, 234, 235, 236 (1967); 62 A.J.I.L. 303-304 (1968).
- 3. Security Council Res. 242 (1967); 62 A.J.I.L. 482 (1968).
- 4. 22 Dept. of State Bulletin 886 (1950).
- 5. 71 Stat. 5, P.L. 87-5, March 9, 1957; 75 Stat. 463, P.L. 87-195, Sept. 4, 1961.
- 15 U.S. Treaties 1606, T.I.A.S., No. 5639; 516 U.N. Treaty Series 205; 52 A.J.I.L. 834 (1958).

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finally in place, a major diplomatic campaign, extending around the world, was brought into focus first in the Security Council; then in the General Assembly; then at Glassboro; and finally back in the Security Council.

A number of positions emerged. Their interplay, and the resolution of that interplay, is reflected in the resolution itself.

The Soviet Union and its chief Arab associates wished to have Israel declared the aggressor and required, under Chapter VII if possible, to withdraw to the Armistice Demarcation Lines as they stood on June 5th, in exchange for the fewest possible assurances;<sup>7</sup> that after withdrawal, Israeli maritime rights in the Strait of Tiran would be "no problem" (sometimes the same thought was expressed about the Suez Canal as well); and that after Israeli withdrawal the possibility could be discussed of a document that might be filed with the Secretary General, or of a Security Council resolution, that would finally end any possibility of claiming that a "state of belligerency" existed between Israel and her neighbors.

The Israeli position was that the Arab governments had repudiated the Armistice Agreements of 1949 by going to war; that the parties should meet alone, and draw up a treaty of peace; and that until negotiations for that purpose began, Israel would not weaken its bargaining position by publicly revealing its peace aims, although the Prime Minister and the Foreign Minister did state publicly and officially that Israel had no territorial claims as such, but was interested in the territorial problem only insofar as issues of security and maritime rights, and, of course, the problem of Jerusalem, were concerned. Meanwhile, Israel began its administration of Jerusalem, the West Bank, the Golan Heights, the Gaza Strip and Sinai as the occupying Power under the Cease-Fire Resolutions, justifying its policies "at the municipal level," and without annexations, in the perspective of that branch of international law.8

7. See, e.g., U.N. Doc. S/PV.1351, pp. 21-27, June 8, 1967.

8. Stone, No Peace - No War in the Middle East 7-20 (1969); E. Lauterpacht, Jerusalem and the Holy Places 50-51 (1968); McNair and Watts, The Legal Effects of War, Ch. 17 (1966); Gutteridge, "The Protection of Civilians in Occupied Territory," The Yearbook of World Affairs 290 (1951); Stone, The Middle-East under Cease Fire 10-13 (1967); Gazit, Israel's Policy in the Administered Territories (1969); Government of Israel, Two Years of Military Government, 1967-1969, (1969). The United States, Canada, most of the West European and Latin American nations, and a large number of nations from other parts of the world, supported a different approach, which ultimately prevailed.

In view of the taut circumstances of May and June, 1967, no majority could be obtained, either in the Security Council or the General Assembly, to declare Israel the aggressor. The question of who fired the first shot, difficult enough to resolve in itself, had to be examined as part of a sequence of Byzantine complexity: the false reports of Israeli mobilization against Syria; the removal of U.N.E.F. forces from the Sinai and the Gaza Strip; the closing of the Strait of Tiran; the mobilization of Arab forces around Israel, and the establishment of a unified command; and the cycle of statements, propaganda, speeches and diplomatic efforts which marked the final weeks before June 5. Before that mystery, sober opinion refused to reach the conclusion that Israel was the aggressor. No serious attempt was made to obtain a resolution declaring the United Arab Republic to be the aggressor.

Secondly, the majority opinion both in the General Assembly and in the Security Council supported the American view, first announced on June 5, 1967,<sup>9</sup> and stated more fully on June 19, 1967,<sup>10</sup> that after twenty bitter and tragic years of "war," "belligerency," and guerrilla activity in the Middle East, the quarrel had become a burden to world peace, and that the world community should finally insist on the establishment of a condition of peace, flowing from the agreement of the parties.

Third, the experience of the international community with the understandings which ended the Suez Crisis of 1956-1957 led to the conclusion that Israel should not be required to withdraw from the cease-fire lines except as part of a firm prior agreement which dealt with all the major issues in the controversy; justice for the refugees, guarantees of security for Israel's border, and her maritime rights in the Gulf of Aqaba and the Suez Canal; a solution for Jerusalem which met the legitimate interests of Jordan and of Israel, and of the three world religions which regard Jerusalem as a Holy City; and the establishment of a condition of peace.

9. 56 Dept. of State Bulletin 949-953 (1967).

10. President Johnson, "Principles for Peace in the Middle East," 57 Dept. of State Bulletin 31 (1967). In 1957, in deference to Arab sensitivity about seeming publicly to "recognize" Israel, to "negotiate" with Israel, or to make "peace" with Israel, the United States took the lead in negotiating understandings which led to the withdrawal of Israeli troops from the Sinai, and the stationing of U.N.E.F. forces along the Sinai border, in the Gaza Strip, and at Sharm-el-Sheikh. The terms of that understanding were spelled out in a carefully planned series of statements made by the governments both in their capitols, and before the General Assembly. Egyptian commitments of the period were broken one by one, the last being the request for the removal of U.N.E.F. and the closing of the Strait of Tiran to Israeli shipping in May, 1967. That step, it was clear from the international understandings of 1957, justified Israeli military action under Article 51 as an act of self-defense.<sup>11</sup>

Fourth, while the majority approach always linked Israeli withdrawal to the establishment of a condition of peace through an agreement among the parties which would also resolve long-standing controversies about the refugees, maritime rights, and Jerusalem, the question remained, "To what boundaries should Israel withdraw?" On this issue, the American position was sharply drawn, and rested on a critical provision of the Armistice Agreements of 1949. Those agreements provided in each case that the Armistice Demarcation Line "is not to be construed in any sense as a political or territorial boundary, and is delineated without prejudice to rights, claims or positions of either Party to the Armistice as regards ultimate settlement of the Palestine question."12 Many other provisions of each Agreement make it clear that the purpose of the Armistice was "to facilitate the transition from the present truce to permanent peace in Palestine" and that all such nonmilitary "rights, claims, or interest" were subject to "later settlement" by agreement of the parties, as part of the transi-tion from armistice to peace.<sup>13</sup> These paragraphs, which were

11. Many of the critical documents appear in Department of State, United States Policy in the Middle East, September, 1956-June, 1957 (1957, esp. pp. 332-342; United States Congress, Senate Committee on Foreign Relations, "A Select Chronology and Background Documents Relating to the Middle East," prepared by the Library of Congress, Legislative Reference Service (1967, rev. ed. 1969). See also H. Finer, Dulles over Suez (1964), Chs. 17 and 18.

12. 42 U.N. Treaty Series, 256, Art. V, par. 2 (1949).

 Ibid., Preamble, p. 252; Art. I, p. 252; Art. IV, par. 3, p. 256; Art. XI and Art. XII, p. 268. put into the agreements at Arab insistence, were the legal foundation for the controversies over the wording of paragraphs 1 and 3 of Security Council Resolution 242, of November 22, 1967.<sup>14</sup>

That resolution, promulgated under Chapter VI of the Charter, finally received the unanimous support of the Council. It was backed in advance by the assurance of the key countries that they would accept the resolution and work with Ambassador Jarring to implement it.

It is important to recall what the resolution requires. It calls upon the parties to reach "a peaceful and accepted" agreement which would definitively settle the Arab-Israeli controversy, and establish conditions of "just and lasting peace" in the area in accordance with the "provisions and principles" stated in the resolution. The agreement required by paragraph 3 of the resolution, the Security Council said, should establish "secure and recognized boundaries" between Israel and its neighbors "free from threats or acts of force," to replace the Armistice Demarcation Lines established in 1949, and the cease-fire lines of

### 14. "The Security Council

"(1) Affirms that the fulfillment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles:

- (i) Withdrawal of Israeli armed forces from territories occupied in the recent conflict;
- (ii) Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force;
- "(2) Affirms further the necessity
  - (a) For guaranteeing freedom of navigation through international waterways in the area;
  - (b) For achieving a just settlement of the refugee problem;
  - (c) For guaranteeing the territorial inviolability and political independence of every State in the area, through measures including the establishment of demilitarized zones."

June, 1967. The Israeli armed forces should withdraw to such lines, as part of a comprehensive agreement, settling all the issues mentioned in the resolution, and in a condition of peace.

On this point, the American position has been the same under both the Johnson and the Nixon Administrations. The new and definitive political boundaries should not represent "the weight of conquest," both Administrations have said; on the other hand, under the policy and language of the Armistice Agreements of 1949, and of the Security Council Resolution of November 22, 1967, they need not be the same as the Armistice Demarcation Lines.<sup>15</sup> The walls and machine guns that divided Jerusalem need not be restored. And adjustments can be made by agreement, under paragraph 2 of Security Council Resolution 242, to guarantee maritime rights "through international waterways in the area," and, equally, to guarantee "the territorial inviolability and political independence of every State in the area, through measures including the establishment of demilitarized zones."<sup>16</sup>

This is the legal significance of the omission of the word "the" from paragraph 1(i) of the resolution, which calls for the withdrawal of Israeli armed forces "from territories occupied in the recent conflict," and not "from the territories occupied in the recent conflict." Repeated attempts to amend this sentence by inserting the word "the" failed in the Security Council. It is therefore not legally possible to assert that the provision requires Israeli withdrawal from all the territories now occupied under the Cease-Fire Resolutions to the Armistice Demarcation Lines.

This aspect of the relationship between the Security Council Resolution of November 22, 1967, and the Armistice Agreements of 1949 likewise explains the reference in the resolution to the rather murky principle of "the inadmissibility of the acquisition of territory by war."<sup>17</sup> Whatever the full

- 15. Speech by President Johnson, Sept. 10, 1968, 59 Dept. of State Bulletin 348 (1968); Speech by Secretary Rogers, Dec. 9, 1969, 62 Dept. of State Bulletin 7 (1970).
- 16. See note 14.
- 17. Security Council Res. 242 (1967), Preamble.

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implications of that obscure idea may be, it would clearly permit the territorial adjustments and special security provisions called for by the Security Council resolution<sup>18</sup> and the Armistice Agreements of 1949.

The resolution provided that the Secretary General should appoint a representative to consult with the parties, and assist them in reaching the agreement required by paragraph 3 of the resolution.

I might add a word on the much mooted question of who has "accepted" the resolution. As I indicated earlier, this is not a real issue, since the key parties to the hostilities had given advance assurances that they would cooperate with the Secretary General's representative to promote the agreement called for by the resolution. Shortly after Ambassador Jarring had begun his consultations in the area, however, the question emerged, in the form of Arab insistence that Israel indicate its "acceptance" of the resolution, or its "implementation" of the agreement, before discussions could proceed. One version of these proposals would be that Israel withdraw to the Armistice Demarcation Lines, as they stood on June 4, 1967, in advance of negotiations on any other problems of the resolution. This position, of course, would violate the text of the resolution, and the experience of broken promises which the text reflects.

A good deal of the diplomatic history of this problem is reported in Foreign Minister Eban's comprehensive speech to the General Assembly on October 8, 1968.<sup>19</sup> The Israeli position is summarized in the statement of May 1, 1968, made to the Security Council by the Israeli Permanent Representative to the United Nations:

> "In declarations and statements made publicly and to Mr. Jarring, my Government has indicated its acceptance of the Security Council resolution for the promotion of agreement on the establishment of a just and lasting peace. I am also authorized to reaffirm that we are willing to seek agreement with each Arab State on all matters included in that resolution."

18. See S. M. Schwebel, "What Weight to Conquest?", 64 A.J.I.L. 344 (1970).

19. U.N. General Assembly, 230th Plenary Session, p. 1686.

On May 31, 1968, Foreign Minister Eban reiterated this statement in the Israeli Parliament.

Corresponding statements have been made publicly and privately by other parties to the conflict, but without specific reference to the requirement of "agreement" in paragraph 3 of the resolution. The Government of the United Arab Republic has repeatedly said that it accepts the resolution as requiring "a package deal," but it has thus far rejected procedures for consultation and negotiation accepted by other parties to the conflict.

There is great skepticism among the parties: a skepticism altogether natural against the background of more than twenty years of history. The Arabs fear that Israel has no intention of withdrawing, even to secure and recognized boundaries; Israel fears that the Arabs have no intention of making peace.

But Israel has said repeatedly and officially that it has no territorial claims as such; that its sole interest in the territorial problem is to assure its security, and to obtain viable guarantees of its maritime rights; and that, even on the difficult issue of Jerusalem, it is willing to stretch its imagination in the interest of accommodating Jordanian and international interests in the Holy City.

These assurances by Israel have been the foundation and the predicate of the American position in the long months since June, 1967. If the Arabs are skeptical of Israeli professions, their remedy is obvious: put them to the test of negotiation. They could be sure, as Prime Minister Golda Meir remarked the other day, that the position of the United States in the negotiating process would come more than half way to meet their claims.

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To this point, however, it has proved impossible to initiate the final stages of the processes of consultation and negotiation which are necessary to the fulfillment of the resolution. The reason for the stalemate is simple. The Government of the United Arab Republic has refused to implement the resolution. And thus far it has been backed in that posture by the Soviet Union. President Nasser could not long persist in this stand against the will of the Soviet Union. Under these circumstances, and in the nature of Arab opinion, no other party to the conflict can move towards peace.

In this connection, Secretary Rogers' recent comment is illuminating. He stated: "We have never suggested any withdrawal until there was a final, binding, written agreement that satisfied all aspects of the Security Council resolution.

"In other words, we have never suggested that a withdrawal occur before there was a contractual agreement entered into by the parties, signed by the parties in each other's presence, an agreement that would provide full assurances to Israel that the Arabs would admit that Israel had a right to exist in peace.

"Now, that is what has been lacking in the past. The Arabs have never been willing to do that; and if that could be done, we think it would be a tremendous boon to the world.

"Now, we have also provided that the security arrangements would be left to the parties to negotiate, such as Sharm-al-Shaykh, and the Gaza Strip, the demilitarized zone, and so forth."<sup>20</sup>

It is easy to understand the Soviet position, and that of the United Arab Republic, in terms of a policy of political and military expansion which threatens not only Israel, but Jordan, Lebanon, Saudi Arabia and the states of the Persian Gulf. It is not, however, a posture easy to reconcile with the terms and purposes of the Security Council Resolution of November 22, 1967.

20. 62 Dept. of State Bulletin 218-219 (1970).

QUESTIONS RAISING SOME TYPICAL ARAB CONTENTIONS

(Questions follow the organization of the syllabus)

- I. Political and Legal Aspects of Relations Between Israel and the Arab World.
  - Israel's establishment as a state was supported by the international community to compensate the Jews for the decimation of their numbers during World War II. Why should the Arabs have to pay for Christian sins?
  - 2. Wasn't the creation of the State of Israel contrary to the principle of national self-determination (Article 80 of the U.N. Charter), since the partition decision was arrived at by the General Assembly of the United Nations and not by choice of the people of Palestine?
  - 3. If you accept the inadvisability of the acquisition of territory by war, shouldn't Israel be required to return to the United Nations established boundaries of 1947?
  - 4. If Israel were not bent on territorial expansion, then why did it annex East Jerusalem?
  - 5. If Israel were not determined to retain the territory it conquered in the June War of 1967, why has it been so reluctant to participate in U.N.-sponsored talks aimed at returning the territories to their rightful owners?
  - 6. If Israel is not inherently aggressive and expansionist, why did Israel attack Egypt in October 1956 and in June 1967 when there was room for diplomatic efforts to settle the issues in dispute?
  - 7. Why has Israel, which owes its establishment to the United Nations, flagrantly defied numerous United Nations resolutions?
  - 8. What right did the Jews, who owned only a small percentage of the land in Palestine, have to establish a state embracing large areas of non-Jewish land? Moreover, the growth of the Jewish settlements in

Palestine always encompassed injustices, even though they paid for the land, because Jewish settlements expanded through land transactions that displaced Arab farmers and smallholders. Therefore, how can the sovereign expression of that enterprise be legitimate if its inception and stages of development were based on a series of injustices meted out to the native population?

- 9. Why isn't Israel willing to submit the issues to the International Court of Justice?
- 10. Is it not true that Israel threatens world peace because of its present policies? If not, why does Israel try to aggravate the tensions between the Soviet Union and the United States for its own selfish interests regardless of threats to world peace and the dangers of an outbreak of a third world war?
- 11. Why do the Americans support Israeli political positions so strongly when American interests in a detente with the Soviets are thereby harmed?
- 12. Why does the United States persist in its pro-Israel policy when that policy endangers vital American economic interests in the Arab world?
- 13. Does not Israel's participation and escalation of the arms race with American weapons enable the Soviets to increase their influence in the Middle East at American expense via arms deliveries to the Arabs?
- 14. Israel is clearly allied with the forces of reaction in the world and in the Middle East. [Did not the crisis of May 1967 begin because the Israelis were trying to overturn the socialist government of Syria?] Did not the Israelis attempt to initiate a rebellion against the government of the late President Nasser through its penetration raids deep into Egyptian territory in the fall and winter of 1969-1970. [More generally, is it not evident that Israel has become a tool of the U.S. imperialism and capitalist exploitation?]

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## II. Issues Concerning the Arab Minority, the Occupied Territories and the Refugees.

- 15. Who is responsible for the existence of the Palestinian refugees? Were the refugees not born out of fear of Jewish terrorism in the 1940's? Did their numbers not grow because of the Israel Army's policy in the War of 1948 of expelling Arabs from their homes in cities newly conquered by them?
- 16. Israel's creation solved one refugee problem but simultaneously produced another. Is justice served by fulfilling the national aspirations of the Jews and ignoring the legitimate national aspirations of the Palestinian Arabs?
- 17. Why hasn't Israel taken back the refugees it drove from their homes, or at least offered to compensate them?
- 18. How can one justify Israel's violations of fundamental human rights in the occupied territories by such acts as the destruction of homes of civilians, reports of torture, expulsions and the continued administrative detention of several thousand Arabs? Does Israel recognize the Geneva Convention?

## III. Implications of Israel as a Jewish State.

- 19. How can Israel live at peace with its neighbors since, by definition, it is a state dedicated to the ingathering of the Jews of the world and thus to inevitable territorial expansion to meet the needs of its growing population?
- 20. Does not the character of Israel as a Jewish State preclude the establishment of peace between Arabs and Israelis in the Middle East? Moreover, does this ideological commitment not stifle nationalist expression and identification for Israel's non-Jewish minorities? How can Israeli Arabs, for example, be expected to consider a Jewish State as their national home?

-3-

- 21. Why is the Jewish claim to Palestine any stronger than the Christian or Muslim claims?
- 22. How can Jewish nationhood be deemed legitimate when under the principle of self-determination Palestine should belong to the Arab Palestinians which constitute its majority? Since the origin of the great majority of Jewish Israelis is in other countries, in contrast to the Palestinians who have lived in Palestine for centuries, why should the Palestinians allow the Jews to determine the national character of the country?
- 23. Israel's Law of Return grants automatic citizenship to any Jew wishing to go to Israel. Doesn't this place Jews in other countries in a position of having dual loyalties?
- 24. If Israel is a Jewish State with ties to world Judaism, can American Jews be trusted to consider Mid-East problems in terms of the American national interest?

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## HE AMERICAN JEWISH COMMITTEE

December 1, 1970 date Staff Task Force on the Middle East 10 Phyllis Sherman from subject

The Task Force will hold its next meeting on Thursday, December 10, at 3:00 p.m. in Room 800A. Sidney Liskofsky and George Gruen will report on the recently held Lawyers Workshop on Legal Issues in the Middle East and the plans for follow-up on the Conference.

Enclosed for your information are some of the documents which were made available for the participants. A paper on the principal issues in the Middle East was presented at the meeting by Ambassador Shabtai Rossenne of the Israeli Mission to the United Nations. This is a rather bulky document which is not available in sufficient quantities for distribution. However, if any of you are interested, you may borrow copies from Sidney Liskofsky or George Gruen.

PS:la

Enclosure

## LAWYERS' WORKSHOP ON LEGAL ISSUES IN THE MIDDLE EAST

## November 21-22, 1970

Union of American Hebrew Congregations

888 Fifth Avenue, New York City

General Chairman: BERNARD G. SEGAL, ESQ. Immediate Past President, American Bar Association

Opening Session: Saturday, November 21 - 6:00 P.M - 10:00 P.M.

Chairman-Moderator: BERNARD G. SEGAL, ESQ.

Dinner: 6:00 P.M.

Discussion: 7:30-10:00 P.M.

Topic: "Political and Legal Aspects of Relations Between Israel and the Arab World"

Speaker: AMBASSADOR SHABTAI ROSENNE Deputy Permanent Representative of Israel to the United Nations

Sunday Morning Session: November 22 - 9:30 A.M.

Chairman-Moderator: JUDGE JUSTINE WISE POLIER Past Chairman, American Jewish Congress National Executive Committee

<u>Topic</u>: "Issues Concerning the Arab Minority, the Occupied Territories and the Refugees"

Speakers: HONORABLE ZVI TERLO Director-General, Israel Ministry of Justice

> AMBASSADOR NETANEL LORCH Director, Latin American Division, Israel Ministry for Foreign Affairs; Delegate to U.N. General Assembly

Sunday Lunch Session: November 22 - 12:30 P.M. - 2:30 P.M.

<u>Chairman</u>: JEROME J. SHESTACK, ESQ. Co-Chairman, Committee on International Organizations, American Jewish Committee

<u>Topic</u>: "Major Mid-East Issues at the Current U.N. General Assembly Session"

Speaker: AMBASSADOR YOSEF TEKOAH Permanent Representative of Israel to the United Nations

Sunday Afternoon Session: November 21 - 2:30 P.M. - 5:00 P.M.

Chairman-Moderator: HONORABLE MOSES L. KOVE National Chairman, ADL European Affairs Committee

- <u>Topic</u>: "Implications of Israel as a Jewish State -- For Jews Inside Israel and For Jewish Communities Outside"
- Speakers: HONORABLE ZVI TERLO Director-General, Israel Ministry of Justice

RABBI ARTHUR HERTZBERG President, Conference of Jewish Social Studies; Lecturer in History, Columbia University

Discussion of future plans - JEROME J. SHESTACK, ESQ.

## THE AMERICAN JEWISH COMMITTEE

date

from

October 1, 1973

Ö -

Rabbi Marc Tanenbaum

Rabbi A. James Rudin

subject

## URGENT AND CONFIDENTIAL

emorandum

Bill Harter called me this morning to tell me that he and four others will be leaving this evening (October 1st) on Alitalia at 7:30 PM for a tour of the Middle East. This group will also include Peter Johnson, Nancy Krasa, Dean Lewis and Syngman Rhee.

This group represents the Middle East Task Force and is a followup to Ellwyn Smith's and Don Wilson's trip. They will be spending 5 days in Cairo, 3 in Amman, 5 in Beirut, 1 in Cypress and 7 in Israel. In addition, Bill will be joined by his wife for an additional week in Israel. They will be arriving in Israel on October 14th and the group will leave on the 20th. Lynda Harter is sending me the exact itinerary but while in Israel they will be staying at the Tel Aviv Hilton and the East Jerusalem YMCA with a one day trip to Tiberius to visit Archbishop Raya.

Rhee is the new Middle East specialist with the United Presbyterian Mission Council. He is a Korean and leans towards the Third World ideology but according to Harter is a "tough-minded independent thinker." Johnson is a classic New Left type who has a love/hate relationship with Israel and Harter says Israel is Johnson's personal crisis. Krasa is the former editor of the Union Theological Quarterly, is a close friend of Arthur Hertzberg and thus the "right way" regarding the Middle East. Dean Lewis, is of course, well known to us as the Executive Secretary of the United Presbyterian Division of Church and Society. He has become much more favorable to Israel with passing time, partly as a result of his own growth and partly because of the bitter attacks that the overseas missionaries have made upon him and the report.

According to Harter it will be "very rough going" since the anti-Israel lobby is not even interested in the content of the

## Rabbi Marc Tanenbaum

present report, nor of any updating report. As long as the Presbyterian document is not 100% pro-Arab and anti-Israel, the attacks will come not on substance but on process. Here we are in good shape, since Lewis is a master process man.

The 1974 United Presbyterian General Assembly will be held in Puerto Rico and the Middle East Report will be voted at at that time. Again, according to Harter it promises to be a bitter, angry floor fight, and he urges us to make sure that our Presbyterian friends are well represented in the various delegations.

Bill said that his group has a meeting scheduled with Michael Pragai, but that he would like Bernie Resnikoff to arrange some meetings with Arthur Lurie, Amnon Rubinstein, and with a "Shashar type" regarding the administrated territories. According to Harter the group did not want to arrange a hard and fast itinerary in Israel, both because of the Succoth period and because they wanted their freedom of movement. Hence they did not want Bernie to arrange a complete itinerary a la American Baptist tour.

## Here are my comments on all of this:

1. This trip has been planned for over a month but we were not informed about it until the very day the group is leaving.

2. It appears that we will derive very little good from this trip since the makeup of the group tilts towards a more radical Third World basically anti-Israel position. By the time they reach Israel the group will have had 13 days in Arab countries and one day on Cyprus. During this time you may be assured they will be beset with all shades and forms of anti-Israel opinion, ranging from overseas missionaries to "moderate Arab Christians", and of course including Palestinian guerrillas and apologists for terrorism.

3. The Israel end of the trip seems deliberately to have been left fluid by design. I suspect that Bill Harter himself is arranging all the contacts. He has come to us very late and wants only a minimal amount of help from our office.

4. We need to contact Bernie at once regarding this trip and then, of course, we must sit down with Dean, Bill and perhaps Nancy Krasa to discuss future developments with them when they return, but it is Rabbi Marc Tanenbaum

clear that the Middle East Task Force Report is in great jeopardy and that it will be a long and difficult fight to salvage even the little good that has already been accomplished.



AJR:FM

cc: Judith Banki Inge Gibel Gerald Strober

Marc Tanen barens

## AMERICAN JEWISH COMMITTEE

March 16, 1971

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TO: Staff Task Force on Middle East

FROM: Morris Fine

SUBJECT: Program Plans

This is to confirm the time and place of our next meeting --Thursday, March 18th at 2:30 p.m. Soo B

We shall discuss program plans in the light of the recent political developments. The latest Embassy "Pink Sheets", which have been widely circulated to the press are attached.

MF/rtg

71-900-38

THE COMPONENTS OF A SECURE PEACE

EMBASSY OF ISRAEL WASHINGTON, D.C. March 10, 1971

### THE COMPONENTS OF A SECURE PEACE

1. On March 5, 1971, UN Secretary General U Thant issued a report to the Security Council on the Jarring talks. In it he referred to the most recent documents which Egypt and Israel had transmitted to Ambassador Jarring. Both documents, the Egyptian (February 15, 1971), and the Israeli (February 26, 1971), comprise the basic positions of the respective parties as submitted to Jarring in response to his secret Aide Memoire of February 8, 1971. The central proposition of his paper was that:

"Israel would give a commitment to withdraw its forces from occupied UAR territory to the former international boundary between Egypt and the British Mandate of Palestine. The UAR would give a commitment to enter into a peace agreement with Israel and to make explicitly therein to Israel on a reciprocal basis various undertakings and acknowledgements arising directly or indirectly from paragraph 1(11) of Security Council resolution 242 (1967)."

The Secretary General made the above public in his report (para: 8) and then went on to issue the following judgement. (para. 14):

"I wish, moreover, to note with satisfaction the positive reply given by the UAR to Ambassador Jarring's initiative. However, the Government of Israel has so far not responded to the request of Ambassador Jarring that it should give a commitment on withdrawal to the international boundary of the UAR."

And in paragraph 15 he went on to say:

"I appeal, therefore, to the Government of Israel to give further consideration to this question and to respond favorably to Ambassador Jarring's initiative."

2. Treated in the following pages is an analysis of:

- a) The boundary principle as related to Security Council resolution 242;
- b) The substance of the Egyptian reply to Ambassador Jarring, February 15, 1971;
- c) The Soviet posture in light of the Egyptian document;
- d) The Egyptian-Soviet political strategy in the current diplomatic phase;
- e) The Israeli reply to Ambassador Jarring, February 26, 1971.

#### The Boundary Principle

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3. The authority of the UN Secretary General is defined by the United Nations Charter. It does not include the right to determine Israel's future boundary. It is not the UN Secretary General who

will have to live with Egypt once those boundaries, whatever they are, are delineated. Israel and Egypt are the parties to the talks that have hardly got under way, and it will be they alone who will determine what their mutual boundary shall be in negotiation. This remains true, notwithstanding the persistent efforts of the Soviets and the Egyptians to cultivate an international climate in support of an imposed settlement in keeping with the 1957 precedent. At that time, it will be recalled, the UN was employed as the instrument of imposition upon Israel under the impetus of the Russian threat of force and the American threat of sanctions. Egypt and the Soviet Union cannot but draw encouragement now from the kind of value judgement the Secretary General has publ.cly uttered on the positions of the respective sides.

#### The Conception of the Resolution

4. By arbitrarily determining that Israel "should give a commitment on withdrawal to the international boundary of the UAR," Israel is denied the right of even presenting its territorial case in a negotiation with Egypt. (The 'international boundary' referred to is one and the same as the 5th of June 1967 line. Any impression that the withdrawal envisaged does not include the Gaza Strip is erroneous. The intention is to effect a total Israel withdrawal.)

5. Nowhere in Security Council resolution 242, which is the basis of the Jarring talks, is it stated that the border of which the Secretary General speaks is the "secure and recognized boundary" of which the resolution speaks. That boundary, according to the resolution, is to be delineated in negotiation between the parties.

As its sponsors have publicly affirmed, the resolution was deliberately phrased so as to permit a genuine border negotiation. Its author, the then British Ambassador to the UN, Lord Caradon, said in the Security Council on November 22, 1967, when the resolution was presented, that "any action to be taken must be within the framework of permanent peace and withdrawal must be to <u>secure</u> <u>boundaries</u>." No less an eminent authority than Eugene Rostow, the then U.S. Under Secretary of State, reaffirmed very recently the centrality of the territorial negotiation as conceived by the resolution. He wrote:

"...Paragraph 1(1) of the resolution calls for the withdrawal of Israeli armed forces 'from territories occupied in the recent conflict', and not 'from the territories occupied in the recent conflict.'. Repeated attempts to amend this sentence by inserting the word 'the' failed in the Security Council. It is therefore not legally possible to assert that the provision requires Israeli withdrawal from all the territories now occupied under the ceasefire resolution to the armistice demarcation lines." (American Journal of International Law, Vol 64, 1970, p. 69)

Israel accepted the resolution and agreed to cooperate with the Jarring mission precisely because it linked the establishment of a "just and lasting peace" with the establishment of "secure and recognized boundaries," other than the June 5, 1967 lines.

#### Israel's Fundamental Policy on the Boundary Question

6. Under no circumstances will Israel surrender its right to a free negotiation with Egypt of this most crucial of issues. It will resist all pressures, from whatever the source, be they military or political, that aim at resurrecting Israel's past territorial vulnerability by precluding the negotiation of future secure boundsries. Israel permitted this to happen once before by acquisscing in the imposed solution in 1957. It will not squander its territorial security again. Israel is ready, in peace, to withdraw from the ceasefire lines. But this time the withdrawal will be to boundaries that are secure, and shall be rendered so by geography. As stated on March 7, 1971 by Prime Minister Golda Meir in an interview with the British Independent Television:

"We say that a new border, a negotiated border, will be somewhere between the ceasefire line and the June 4 line, 1967."

This is the meaning of the provision contained in Paragraph 4 of Israel's document to Ambassador Jarring of February 26, 1971. (see attached paper) It reade:

"Withdrewal of Israel armed forces from the Israel-UAR ceasefire line to the secure, recognized and agreed boundaries to be established in the peace agreement. Israel will not withdraw to the pre-June 5, 1967 lines."

At a press conference in Jerusalem on March 7, following the publication of the U Thant report, Foreign Minister Eban again reiterated this fundamental principle of policy: "<u>Our position</u>," he emphasized, "<u>is and remains as stated on the 26th of February 1971, in</u> <u>Paragraph Four of that document.</u>"

#### The Territorial Security Concept

7. When Israel speaks of secure boundaries it means, above all, the elimination once and for all of those territorial focii of past aggression; the removal of those geographic conditions that have in

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the past tempted attack on vulnerable frontiers and on exposed shipping lanes. Consider, as an example, the case of the Straits of Tiran. Twice in ten years the Straits were subjected to Egyptian blockade, so easily facilitated by control of Sharm el-Sheikh. And twice did such Egyptian aggression trigger major confrontations between the two countries, in 1956 and 1967.

In 1957 Israel, faced by a joint Soviet-American front against it, yielded to pressure and withdrew from Sharm el-Sheikh and the rest of Sinai and the Gaza Strip, back to the old exposed armistice line and thus was deprived of the opportunity to conclude a secure peace with Egypt. Israel accepted under duress a mixed bag of international arrangements and assurances that were designed to buttrees its fragile frontier with Egypt, but which were to collapse upon their very first testing in May-June 1967.

Israel will have nothing to do with conceptions of this kind again. It will not withdraw from and surrender a location such as Sharm el-Sheikh to the protection of international arrangements and guarantees that, by their very substance cannot but be tenuous. After two wars and intermittent tension between them, Israel has the right to maintain with its own forces the security of Sharm el-Sheikh, its only link with East Africa and Asia.

### The Substance of the Egyptian Document

8. In its reply to Jarring of February 15, 1971, Egypt stated that it is prepared, under certain conditions, to enter into a peace agreement with Israel. As will be seen in the attached Israeli document to Ambassador Jarring of February 26, 1971, Israel welcomed this readiness on the part of Egypt to entertain, after 22 years of belligerency, the conclusion of a peace agreement between the two countries. Normal international procedure would suggest that, having presented their basic positions, Egypt and Israel should proceed now, under Ambassador Jarring's auspices, towards a detailed and concrete negotiation on their respective terms with a view to reconciling their differences and drawing up their peace agreement.

9. The Egyptian conditions for a peace agreement with Israel are ultimative. Unlike the Israeli proposal, they make no allowance for a negotiation process to bridge the profound differences that inevitably exist after more than two decades of hostility. In the Egyptian document, Israel is required to carry out a total withdrawal from Sinai and the Gaza Strip, indeed from all the territories on every front. It is, furthermore, expected to renounce its sovereign rights on the refugee issue and give entry to a mass Arab

-4-

influx. (President Sadat in his address of March 7, 1971, when he announced the abrogation of the ceasefire, referred to the above two clauses when he said: "Egypt's <u>sine qua non</u> conditions are: complete withdrawal from all territories occupied in June 1967, and the observance of the legitimate rights of the people of Palestine.") With respect to the obligations Egypt itself would be prepared to assume towards Israel, nowhere is there any direct commitment to Israel on the crucial question of freedom of navigation through the Straits of Tiran and through the Suez Canal. And, as the instrument of guarantee of the Egyptian version of a settlement, Egypt conceives of international security arrangements much in line with those of 1957.

### The Meaning of the UAR Terms

10. But for the expression of willingness to enter into a peace agreement, the UAR response to Ambassador Jarring reveals that Egypt's position has not changed one icts from its traditional posture. Its terms are a restatement, without deviation, of Egypt's classic political doctrine. As they stand, they are devoid of practical expression of what normal peaceful relations between states are supposed to mean. Above all, they fail to address themselves to the elimination of the root cause of the past conflict which is the key to a future peace that will be secure. That root cause is the boundary issue. As its condition for peace, Egypt would have Israel restore its past territorial vulnerability. This Israel will never do. It will not do so because the political and military realities of the present and the political end military contingencies of the future are such that a settlement without reasonable geographic security would be a paper peace alone.

### The Soviet Posture and the Egyptian Proposal

11. The Egyptian proposal is not an independently conceived document. Its conception, if not its language, was devised in close consultation with the Soviet Union in the furtherance of a common strategy. The extent of the intimacy of military and political coordination between Moscow and Cairo was alluded to by the Egyptian President himself in his address of March 7, 1971. Divulging that on the eve of the Egyptian termination of the ceasefire he had made, at the invitation of the Soviet leaders, a secret trip to Moscow on March 1-2, 1971, Sadat declared:

"Everybody knows the role the Soviet Union has played until now...I wish to express my absolute satisfaction with my discussions in Moscow which covered all subjects. The USSR will continue its full and positive support of the UAR."

12. The primary Soviet goal in involving itself so decisively in every major Egyptian move, is its quest to maintain and consolidate its power position in the Middle East, with Egypt as the base. To achieve this, it must maintain its credibility in Arab eyes by holding out to them the real hope that it can deliver the political victory they seek over Israel, i.e. total Israeli withdrawal. Without that, Soviet influence in Egypt and throughout the Middle East is ultimately threatened. Russia was ready, in the Spring of 1969, to encourage Egypt to employ limited military action - war of attrition - in the attempt to put teeth into the effort to achieve the goal of total withdrawal. It gave Egypt every backing in the attrition campaign and when, in the winter of 1970, Nasser found himself on the verge of total collapse, the Soviet Union moved in and involved itself directly on a combatant basis with ground personnel, missiles and pilots. The fighting escalated and so did the risks of a wider confrontation, while the resulte justified neither. The Soviet Union accordingly advised its client state to shift, for the time being, the emphasis from the military to the diplomatic.

### The Diplomatic Strategy

13. This is the backdrop against which the Egyptian response to the American peace initiative and later, the decision "to enter into a peace agreement" on the condition of a total Ieraeli withdrawal, should be seen. The object remains as before: the eviction of Ierael from all the occupied territories through the imposition of an Egyptian-Soviet style settlement. Having shelved for the time being the military option, the Soviets and the Egyptians have now set themselves the task of winning American pressure on Ierael so as to compel it to withdraw totally, thus recreating the international conditions that had made 1957 possible. This is the strategic goal in which President Sadat, in coordination with the Soviets, is currently engaged.

14. In a speech before the representatives of the Palestinian terrorist organizations in Cairo on February 28, 1971, Sadat summed up in the following words the objectives of his strategy as:

- "a) The deepening of the commitment of our friend.
- b) The neutralization of the adversary.
- c) The isolation of the enemy."

(In the UAR political lexicon, the Soviet Union is "the friend", the U.S. is the "adversary" and Israel, "the enemy.")

15. Central to the implementation of this strategy is the driving of a wedge between the United States and Israel as occurred in 1957. Once done, Israel is rendered isolated both in the international councils, and perhaps, too, in the field. The conditions would then be set to enable Russia to activate the Security Council and/or the Four Power forum on behalf of an Arab interpretation of Security Council resolution 242. Thus, the groundwork would be laid for an imposed international political arrangement and, failing that, the possible condonement of a Soviet-Egyptian military effort to impose the arrangement by force. That was the scenario of 1957.

16. The tactical ploy which Sadat has utilized in his attempt to drive a wedge between Israel and the United States is his acceptance of an invitation "to enter into a peace agreement with Israel." That offer is made subject to a central condition which Egypt and the Soviet Union know Israel will never accept and will be even prepared to fight over if necessary: the issue of total withdrawal. Egypt and the Soviet Union understand that the only prospect of ever possibly winning a total withdrawal would be through imposition. For this to happen Israel has to be rendered internationally isolated, and for that to occur a U.S. movement away from Israel is required. Then the prospect would be opened for a four Power common front against Israel and the conditions created for an imposed political arrangement. It was to facilitate this prospect that Egypt and the USSR introduced a new element into the political discussion. It is a semantic one: the use of the term 'peace agreement', presented as though it were an unprecedented concession. Having used the term, Egypt is now demanding of the U.S. that it deliver Israel on the territorial matter. "The U.S.," Sadat said in his speech of March 7, "will not be able to evade this obligation."

#### Fruit of Joint Israel-U.S. Policy

17. Unlike those of Egypt and the USSR, the policies of Israel and the U.S. are not identical. But, ever since 1967, they have met on the critical principle that this time there will be no imposition of a settlement, but a true peace, one that is freely negotiated between the parties. That principle has generated policies and actions on the part of Israel and the United States that have produced results which have advanced the peace process. Israel's tenacious stand in the field; the U.S. maintenance of the local military balance of power through the sale of weapons to Israel; the overall US political stance; end its deterrent actions that

were applied during the second half of 1970 - these together have been the policies that compelled Egypt and Russia to turn, for the time being at least, from the military option to the diplomatic one. Now, an Arab leader has used the words, "peace agreement with Israel." Leaving aside for the moment the tactical motive which inspired the words, the fact is that for the first time in 22 years they have been uttered. (For 22 years it was widely suggested that were an Arab leader to even pronounce such words, his political and physical assassination would automatically follow;)

18. This is movement. It is progress of a kind that would have been thought inconceivable a year and more ago. Surely, if further movement is to be registered beyond the realm of semantics and into the arena of a genuine peace with security, it will be, in the first instance, by keeping to these proven policies. In 1969-70 Egypt and the Soviet Union tried the option of war and failed. They turned to diplomacy. Now they are trying, through diplomacy, to achieve their goal of a total Israeli withdrawal by means of an imposed settlement. This too must be made to fail if they are to ever contemplate the option of a genuine peace with security, freely negotiated between the parties, that will eradicate the conflict once and for all. The United States can help bring this about by continuing to stand fast against any attempt to impose a settlement.

#### Peace With Security

19. The essence of lasting peace is the creation of a new pattern of relations between Israel and its neighbors. This will never be achieved if Israel is to be made strategically vulnerable again. The only kind of peace which will prove credible and therefore lasting is the one that offers Israel territorial security, thereby removing the temptation of future aggression. Israel will not flinch in its insistence on the establishment of new and secure boundaries through a free exchange with Egypt. It will not withdraw as it did in 1957, unless it is to boundaries that have been freely negotiated and that replace the irrational and exposed demarcation lines which served in the past as the true invitation to attack. After three wars of survival fought alone and 22 years of insecure and unrecognized borders, Israel is resolved this time to settle for nothing less than a peace which also offers it a reasonable margin of territorial security. This is the essence of the Israeli peace proposal of February 26, 1971, the text of which is attached.

# TEXT OF DOCUMENT TRANSMITTED BY THE ISRAEL AMBASSADOR TO THE U.N., MR YOSEF TEKDAH, TO AMBASSADOR GUNNAR JARRING,

### FEBRUARY 26, 1971

Pursuant to our meetings on 8 February and 17 February, I am instructed to convey to you, and through you to the UAR, the following:

Israel views favorably the expression by the UAR of its readiness to enter into a peace agreement with Israel and reiterates that it is prepared for meaningful negotiations on all subjects relevant to a peace agreement between the two countries.

The Government of Israel wishes to state that the peace agreement to be concluded between Israel and the UAR should inter alia - include the provisions set out below.

A) Israel would give undertakings covering the following:

1. Declared and explicit decision to regard the conflict between Israel and the UAR as finally ended, and termination of all claims and states of war and acts of hostility or belligerency between Israel and the UAR.

2. Respect for and acknowledgement of the sovereignty, territorial integrity and political independence of the UAR.

Respect for and acknowledgement of the rights of the UAR to live in peace within secure and recognized boundaries.

4. Withdrawal of Israel Armed Forces from the Israel-UAR cease-fire line to the secure, recognized and agreed boundaries to be established in the peace agreement. Israel will not withdraw to the pre-June 5, 1967 lines.

5. In the matter of the refugees and the claims of both parties in this connection, Israel is prepared to negotiate with the Governments directly involved on:

a) The payment of compensation for abandoned lands and property.

b) Participation in the planning of the rehabilitation of the refugees in the region. Once the obligations of the parties towards the settlement of the refugee issue have been agreed neither party shall be under claims from the other inconsistent with its sovereignty.

6. The responsibility for ensuring that no warlike act, or act of violence, by any organization, group or individual originates from or is committed in the territory of Israel against the population, armed forces or property of the UAR.

7. Non-interference in the domestic affairs of the UAR.

8. Non-participation by Israel in hostile alliances against the UAR and the prohibition of stationing of troops of other parties which maintain a state of belligerency against the UAR.

### 26 February 1971

B. The UAR undertakings in the peace agreement with Israel would include:

1. Declared and explicit decision to regard the conflict between the UAR and Israel as finally ended and termination of all claims and states of war and acts of hostility or belligerency between the UAR and Israel.

2. Respect for and acknowledgement of the sovereignty, territorial integrity and political independence of Israel.

3. Respect for and acknowledgement of the right of Israel to live in peace within secure and recognized boundaries to be determined in the peace agreement.

4. The responsibility for ensuring that no warlike act or act of violence, by any organization, group or individual originates from or is committed in the territory of the UAR against the population, armed forces or property of Israel.

5. Non-interference in the domestic affairs of Israel.

6. An explicit undertaking to guarantee free passage for Israel ships and cargoes through the Suez Canal.

7. Termination of economic warfare in all its manifestations, including boycott, and of interference in the normal international relations of Israel.

8. Non-participation by the UAR in hostile alliances against Israel and the prohibition of stationing of troops of other parties which maintain a state of belligerency against Israel.

The UAR and Israel should enter into a peace agreement with each other to be expressed in a binding treaty in accordance with normal international law and precedent, and containing the above undertakings.

The Government of Israel believes that now that the UAR has, through Ambassador Jarring, expressed its willingness to enter into a peace agreement with Israel, and both parties have presented their basic positions, they should now pursue their negotiations in a detailed and concrete manner without prior conditions so as to cover all the points listed in their respective documents with a view to concluding a peace agreement.

Washington L



THE AMERICAN JEWISH COMMITTEE

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May 8, 1973 Issue 73-2

Watergate -- Trauma for Washington and the country...

"This place is so breathlessly beautiful -- and damned ugly. I could just cry..."

Of the millions of words spoken or written about Watergate, these few may best sum up the mood in Washington these days. They were spoken by a middle-aged Missouri tourist on the steps of the Capitol, as reported by the New York Times last month.

Many Washingtonians find it easy to identify with the anguish of that Missouri lady. April in the nation's capital is excrutiatingly beautiful and wondrous. Though it happens every year, it never fails to evoke exhilerating joy the day that first crocus pushes through the front lawn, followed in a day or two by that first cherry blossom, then that first forsythia and jonquil and tulip and dogwood in seemingly never-ending succession of surprises. Magnificent displays of Spring beauty surrounding the White House and the Capitol, the art galleries and the historic monuments, attest to a capital that appreciates the beauties of nature.

But April of 1973 brought other kinds of daily surprises, daily revelations, daily discoveries. Competing with the wondrous beauties of nature each day were ugly evidences of man's frailties. And on the last day of that April, the President of the United States went to the American people and acknowledged that ugliness. Earlier that day, his principal aides had been fired or "resigned." The vital business of government, he revealed, had been side-tracked. Confidence in the American "system" had been shaken, perhaps destroyed.

The first days of May -- as this is being written -- have been filled with talk of indictments and impeachments, of conspiracies and corruption, of trials and mistrials. "The worst," everybody by this time has gotten used to saying -- some in hope, most in fear -- "is yet to come."

There have been traumas before in this nation's capital. Ten years earlier, as the procession of kings and presidents and prime ministers followed the bier of President Kennedy, people wondered whether our system would survive that shock. Five years later, the sight of armed troops patrolling the White House as smoke billowed forth from riot-torn streets a few blocks away -- in the wake of the assassination of Martin Luther King -- made many wonder whether Washington would ever be the same.

But the trauma of 1973, though free from physical violence or threat, has been even more shattering. The others may have reflected unsolved problems in our society, but these crises essentially were touched off by personal, senseless acts. Watergate symbolized an organized perversion and corruption of the political system itself -- by powerful individuals who knew, or should have known, better. And it came at the very beginning of the second term of an Administration that had won a spectacular victory at the polls, an Administration that was preparing to use its power and its prestige for the next steps in its historic breakthroughs in foreign policy. A President whose place in history had seemed assured for build-
ing new relationships with China and the Soviet Union now had to worry about what his staff was saying to a grand jury!

If developments continue to pile up day by day as they have these past five weeks, this Letter may soon be overtaken by events. But, at this time -- with due regard to the presumption of innocence of individuals unless guilt is proven -- this seems to be the context in which the story has been and is still unfolding:

The effort to re-elect the President was started early in 1971. It seemed then not to be an easy prospect. Plans were evidently laid for a long, tough campaign. Those plans either consciously included or permitted to happen a whole series of actions that ranged from the unethical to the clearly criminal. They involved not only down-the-line operatives of the campaign apparatus but men at the very highest levels of the Federal government; already implicated in either the initial crimes or subsequent cover-up are several of the President's very closest White House aides, a former Attorney General, a former Secretary of Commerce, the acting FBI Director and even the CIA. They embraced not only obvious criminal acts like burglary and bugging, but interference with justice. They were financed by countless and unaccounted millions of dollars in campaign funds both raised and spent in ways that appeared to violate numerous laws. What remains unclear and unknown at this writing is the extent to which this range of criminal actions was known to the President himself, if at all, and when. He has repeatedly denied advance knowledge of these crimes, and has condenned them.

He is not the only Republican to condemn them. Even before the full gravity of the story was known, GOP leaders like Senators Goldwater, party Chairman George Bush, and his predecessor Robert Dole, and Presidential Counsellor Ann Armstrong were demanding full disclosure. And totally untouched by charges or even insinuations were most members of the Cabinet and other top appointees. Implicated were primarily members of the tight circle of personal Presidential aides and officials of the Committee to Re-elect the President. Though not a party affair as such, however, the political significance was unmistakeable.

Watergate once meant only a clumsy attempt to eavesdrop on Democratic headquarters. Seven men had been found guilty of that "caper." But now "Watergate" was a symbol of a much broader conspiracy and its attempted cover-up, a major effort by powerful officials, still not fully identified, to prevent the defeat of an incumbent Administration. It is unprecedented in American history.

## Did the "System" Fail?

"Politicians are all crooks, anyway...Like they say, all's fair in love and war. This time they just got caught, that's all..."

These are the words of another Washington tourist as reported by the New York Times, these after the President's speech. One wondered to what extent this attitude was prompted by the President's own comment the night before that "it can be very easy under intense pressure to fall into shady tactics...both of our great parties have been guilty of such tactics in the past."

It was this observation that evoked the greatest criticism of Mr. Nixon's speech. Many were quick to point out that in fact <u>neither</u> of the great parties had ever been charged with tactics that come anywhere near what has come to be symbolized by "Watergate." As indicated earlier, the Republican party itself appears to be innocent of any wrong-doing. Any suggestion that Watergate is merely a current version, only a little more serious than usual, of a regular American practice, these critics say, is to defame the American political system.

President Nixon was on much stronger ground when he declared that "America must not again fall into the trap of letting the end, no matter how great, justify the means." Rejecting any suggestion that Watergate means the bankruptcy of our political system, the President declared that "it was the system that has brought the facts to light and that will bring those guilty to justice — a system that in this case has included a determined grand jury, honest prosecutors, a courageous judge, and a vigorous free press."

## "Politicians are all crooks anyway ... "

The most recent polls tell us that many Americans share this view. The conviction of a former Democratic Governor of Illinois and current charges against a top associate of Chicago's Mayor Daley will undoubtedly reinforce this judgment. To some, moreover, personal crimes of avarice may seem more serious than those motivated by political, presumably impersonal, motivations. It is this failure to distinguish between violations of law -- critical as they are, especially when committed by government officials -- and the <u>corruption</u> of the political and legal process itself that concerns many of the observers of the Watergate scene. William Shannon points out that Watergate does not involve outsiders trying to corrupt members of the government...it is a conspiracy by insiders to crush their "political opponents and maintain themselves in power."

"All's fair in love and war..."

This oldest of cliches may go far to explain Watergate. Whoever the specific culprits may turn out to be, it is already quite clear that their actions were indeed pursued in an atmosphere of war, not political rivalry. Those who opposed the President were not opponents; they were enemies. War is dirty business. Spying, lying, forgery, infiltration, bribing, burgling...who would not use these to win a war?

Herein lies perhaps the tragic meaning of Watergate and from this trauma, hopefully, may come better understanding and a better future. The American political system permits tough battles for power, but there are limits beyond which such battles cannot go without destroying the essence of our democratic system and the basic unity of the nation. In a totalitarian society, the ruling power is, by definition, at war with the opposition. But the American system was designed to be one of tolerance, of moderation, of compromise. Alexander Hamilton said it well: "We are forming a republican government. Real liberty is neither found in despotism or the extremes of democracy, but in moderate government." Abraham Lincoln told a divided nation that, despite the pending conflict, his countrymen would have to work with one another. "We are not enemies, but friends," he said.

It didn't take Watergate to make many observers of the Washington scene note and complain about this "war" psychology that motivated some of Mr. Nixon's principal aides. Frequently, the substance and the achievements of the Administration were ignored or downgraded because of the style, the mood of its key figures. They were not only loyal to the President, they not only believed fervently in him and his policies, they would brook no suggestion that he was less than perfect or that his policies could stand any modification.

With some admirable exceptions, it has been widely noted, the White House crew seemed to lack compassion, tolerance, a sense of humor, a sense of proportion. Jokes about the Prussions in the palace guard could not disguise a deep resentment shared by Cabinet members, Senators, and by other White House figures. Perhaps nothing better illustrated the nononsense, you're-with-us-or-against-us mentality of the President's chief managers than the mimeographed, cold-blooded demands for resignations from Presidential appointees, and their unceremonious acceptances in many more cases than anticipated, just two days after the election. There must be many former Administration officials now deriving quiet satisfaction from some of the recent developments.

#### Has the Nixon Administration Become "Inoperative"?

Perhaps the most comforting aspect of the Watergate trauma is precisely that moderation of which Hamilton spoke. Despite speculation about impeachment and some I-told-you-so talk here and there, there are very few people of influence in this town today who want to see the Nixon administration "fall." If we had a parliamentary system that provided a system for doing so, the Watergate developments would certainly have seriously threatened the continuation of the government. But there is no such system, and most observers — including the most ardent Democrats -- do not wish to see a crippled presidency. They demand full disclosure, but they pray that that full disclosure will not reveal a President who personally and directly was involved in either the initiation, the execution or the cover-up of serious crimes. Both of Mr. Nixon's presidential opponents, Hubert Humphrey and George McGovern, have made moderate, conciliatory statements. It is one of the ironies of this moment in history that last week the arch-conservative William Buckley should write, "For such reasons, it is critical to begin now to focus on what punishment should be meted out if it should be established that President Nixon was guilty, as so widely believed, of obstructing justice," while the arch-liberal John Osborne wrote in the New Republic that " A degree of compassion is in order. There is tragedy in the spectacle of a President demeaned, a presidency imperiled."

Jews have traditionally been admonished to pray for the welfare of the government." This observer believes -- barring such developments that would make any speculation moot--that the White House has been seriously hurt, but that it <u>need not</u> be permanently crippled and inoperative. It may seem naive and unrealistic to invoke Shakespeare's comforting thought about "sweet uses of adversity." But traumas do sometimes lead to greater understanding and greater sensitivity. Individuals do sometimes emerge stronger after recovery from injury or disease. From the ugliness and despair of Watergate some basic truths and precepts are being rediscovered, some hopeful new beginnings are emerging.

- \*\* The system has worked, not failed. Men who only weeks ago were at the pinnacle of power are having to justify their actions before grand juries and Senate investigators. For those who continue, power is less likely to be arrogantly held and exercised. Every American, from the President down, has been reminded that nobody is above the law, that power remains subject to the popular grant.
- \*\* The new cast of characters is encouraging. The first men assigned to new tasks by the President in the wake of these developments -- Elliot Richardson, Leonard Garment, William Ruckleshouse, General Hague -- are widely respected men, considered by most as being more gentle, humane, moderate, reasonable, tolerant than some of those already gone. If this pattern continues, and if he brings in new, attractive, and moderate men and women from outside his present entourage, a new sense of moderation and co-operation could emerge that would do much to bring renewed confidence and respect for the Administration.
- \*\* A new relationship with the press is emerging. The President's reference to a "vigorous, free press," Ron Ziegler's apology to the Washington Post, and Mr. Agnew's frank repudiation of his own former attacks on the press, attest to a more constructive relationship. Rarely has the meaning of a free press been more dramatically demonstrated.
- \*\* Political reforms will be advanced. The President himself has now declared that "we must reform our political process." It may now be easier to get truly effective controls on campaign funds and expenditures -- perhaps even direct Federal funding to replace the present system. Changes in law or not, the next campaigns are certain to be freer of scandal and skulduggery.
- \*\* Accomodations with the Congress more likely. Both the White House and the Congress will wish to work closer together now. Already, the insistence on unlimited use of the executive privilege has been modified. Co-operation with the Senate investigation of Watergate seems assured.

The Watergate crisis comes at a very significant time -- some would say fortuitous time. The first months of 1973 were characterized by a historic clash between the Administration and the Congress -- and between the Administration and many segments of American life. Everybody seemed to be itching for a fight. On issues of foreign policy -- the bombing of Cambodia, for example -- and impoundment of funds and termination of ongoing programs, it was widely and loudly asserted that the Administration was showing arrogant use of power, a selfrighteousness that tolerated no dissent, and a determination to use any means to achieve its goals.

If Watergate creates a more accomodating attitude, a greater readiness to compromise, a less arbitrary rejection of alternative views, this may well be one of the sweetest uses of the Watergate adversity. Few wish to see the Administration humbled, but many would welcome a greater humility. And nowhere is there a greater need for new approaches, new cooperation, new accomodation than in the whole area of domestic social policy.

## The Battles over Social Policy...

Watergate has pushed almost everything else in Washington off the front pages, but the historic changes in domestic policy proposed by the Administration have resulted in a series of clashes, legal actions, legislative counterproposals, and, mostly, lots of talk. It is too soon to take score. The decisive votes and actions have yet to be taken. But there are indications that -- at least until the Watergate explosions -- the Administration was operating from strength in the main areas of the battle.

### Power of the Veto ---

The main weapon Mr. Nixon has in his fight with Congress is the veto. When the Congress ignores his wishes and enacts a program he doesn't like, or puts too much money in a program, the President says no -- and all he needs then to sustain his veto is one-third of the members of only one house of Congress. How easy it is for him to get this kind of support was made quite clear on the very first test this year when, on March 27, the Senate failed to override the veto of a bill that almost everybody had thought was so popular no Senator or Congressman would dare to vote against it -- a vocational rehabilitation act that was more expensive than the President had wanted. And a few days later, the Congress failed to override another supposed "sacred cow" -- a rural water and sewer bill. Little matter that solid majorities were voting in favor of these programs; one-third in one house was enough to kill them. To get the President's final approval, then, either capitulation or compromise is necessary.

## --- and Impoundment

The President's advantage in the battle continues even if the Congress should override him. His right to impound funds voted by the Congress against his will has caused howls and legislative proposals, but thus far no actual legislation and no decisive court order. Each house of Congress has developed a proposal that would give Congress some control over what the President could impound. But there is a big difference in the proposals and the likelihood of early agreement is remote. And if the two should agree, there's that veto threat again!

With the powerful support of Appropriations Committee Chairman Geroge Mahon and Speaker Carl Albert, the House has been considering an anti-impoundment law that would grant Congress the right to disapprove any impoundment, but would permit the impoundment to stand if no action was taken in 60 days. The bill has the support of the Leadership Conference on Civil Rights and many other groups because it has such powerful Congressional sponsorship and would constitute at least some protection against unilateral action by the President. But the process involved would admittedly be a tough one to invoke successfully. On the Senate side, another version was developed by Senator Sam Ervin, one that would terminate any impoundment within 60 days unless both Houses by majority votes approve the action. This would make the cancellation of an impoundment substantially easier than the House version.

The Ervin version has been adopted by the full Senate, along with a very key addition. Proposed by Senator Muskie, the Senate added a ceiling on Federal expenditures for fiscal 1974 of \$268 billion -- some \$700 million less than the President's own budget. The Muskie move was needed to satisfy those critics of anti-impoundment legislation who argued that without a ceiling, successful reversals of impoundments would lead to unacceptable deficits.

#### --- and Threats of Inflation

This, of course, is the principal argument the Administration has been invoking in opposition to any legislation it feels is too expensive -- and in defense of Presidential impoundments. It is the Administration's judgment that inflation will be even worse than it is now if more than \$250 billions is spent by Uncle Sam this year, or \$268.7 billion in the year starting July 1. The extent to which the Administration is prepared to push this argument was made dramatic last month, at the height of concern over meat prices, when John Ehr-lichman, the recently resigned Chief of Domestic Policy at the White House, declared that if all of the pending Democratic proposals were enacted, it would mean a 15% increase in taxes for everyone or higher prices on everything.

Critics of the Administration say there just is no basis for such a charge, that it is transparent scare tactics. Economic behavior is simply not that precise, they say. Inflation has been galloping along precisely during the period in which the President is having his way both as to inflation controls and in budgetary restraints. Federal revenues, moreover, have actually been running at a much higher rate than anticipated, so the deficit prospect is not as serious as predicted.

Nevertheless, Congress is working to meet the fiscal argument of the Administration. The one positive development that's come out of the whole controversy is substantial agreement that Congress must change its present appropriations process. The present system does not provide any mechanism for over-all control of expenditures by the Congress. Liberals and conservatives may disagree on how high Federal expenditures, and revenues, can be set; they may disagree on how to apportion the available funds among competing demands; but they do agree on the need to resist inflationary pressures -- and this requires better control of fiscal policies.

## Congress takes Historic Step

Last month, a special Joint Budget Committee of the House and Senate recommended major changes in the appropriations process. Widely hailed in both houses and in both parties, and by the press, it nevertheless faces a tough battle for adoption. Already, cries of alarm have been heard both from those in the Congress who would have to yield their present influence over particular segments of the Budget -- and from liberal elements who claim that the proposal would not provide adequate opportunities for those who wish to give higher priorities to social programs.

But the basic idea is challenged by very few: Congress would create professional machinery that would permit it to do a comparable job to what is done by the Office of Management and Budget for the President. By March 1, a House Budget Committee would be required to report on overall appropriation ceilings, revenue targets, and allocation among all the approriation subcommittees. By May 1, the entire Congressional process in both houses would have to be completed or, failing that, the President's budget would prevail. A second stage of the process takes place at the end of the year, reflecting changed conditions.

Such a process obviously cannot be available for Fiscal 1974 -- and it would be a miracle to have it operative for Fiscal 1975. So less ambitious proposals have been made which would help in this year's deliberations. The Muskie amendment was noted above. Senator Hubert Humphrey has pending a Senate resolution that aims at putting the Congress on record in favor of both fiscal responsibility and a re-ordering of national priorities. It states simply that in order to stay within the President's budget of \$268.7 billion for Fiscal 1974, and in order to be able to finance about \$10 or \$12 billions worth of social program now threatened by veto, impoundment, or termination, the Congress intends to (1) reduce defense expenditures by \$5 to \$7 billion, and (2) increase revenues by \$5 to \$7 billion through tax reform.

## The Priorities Issue ---

The Humphrey resolution may never be adopted, but it does at least hit the central issue. Once agreement is reached on overall expenditures, a fair and informed debate is needed on how best to use the available funds — the priorities issue. And it is here that the trouble starts. Funds added to one program must come out of another.

Thus, there are many supporters of social programs who are not in favor of reduced defense expenditures. Organized labor, for example. The recently announced closings of defense installations across the country brought howls from some of the most "dovish" members of the Congress! But it isn't only self-interest that has kept some from supporting defense cuts. Even among those who fought hard against our involvement in Vietnam, there are some who support a strong American defense posture, as a guarantee against withdrawal from world responsibilities and a warning to those who would endanger the security of nations we are committed to befriend, including Israel. But there are many students of defense and international policies, including Senator Humphrey and Paul Warnke, who believe that American strength would not be jeopardized by a reasonable reduction of the "fat" in the present budget, and by re-

## sisting unnecessary new weapons systems.

After years of general rhetoric about national priorities, then, we face real, tough decisions on priorities. In his Budget recommendations, the President has made his choices. Now, the Congress and the many "special interests" in the country are seeking ways to affect those choices.

## The Social Programs

The argument over social programs continues unabated. It is largely, but not only, a "priorities" debate. The President's vetoes and impoundments are almost always justified by fiscal imperatives, but it is difficult to avoid the conclusion that even if there were no fiscal crunch, many of the programs would be in jeopardy anyway. Mr. Nixon has declared:

"America is still recovering from years of extravagant, hastily passed measures, designed by central planners and costing billions of dollars, but producing few results... The high-cost, no-result boondoggling by the Federal government must end."

This sweeping rejection of recent Federal efforts in the social area has been bitterly attacked by some who have participated actively in the advocacy and implementation of such efforts. Vernon Jordan, the usually soft-spoken moderate head of the National Urban League, has characterized the President's budget proposals as a "counter-revolution designed to destroy the social reform of the 1960's." He accused the Administration of offering "a blueprint for the conversion of a national policy of 'benign neglect' into a policy of active hostility to the hopes, dreams, and aspirations of black Americans."

Bayard Rustin, while critical himself of some of the recent social programs, has lauded the efforts of the Sixties as reflecting "compassionate and profoundly humane view of social problems" and has argued that they "proved significantly more effective at resolving these problems than local governments could ever hope to be."

In a major Commentary article that has already stirred much comment, Ben Wattenberg and Richard Scammon argue convincingly that, despite the great gaps that still exist and must be eliminated, the plight of America's minorities and poor has been improving significantly, and that Federal social programs had much to do with that improvement.

The Administration's proposals have started a major national discussion on the usefulness of our recent efforts -- as well as the economic consequences of major Federal expenditures to support them. This reporter finds it gratifying that even among the most rabid critics of the Administration's proposals, there is recognition that some programs have indeed not worked or worked well, that new solutions must be found.

Amidst the shrill voices on both sides of the argument, objective and serious analysis is emerging. (An excellent series of articles will be found in Commentary for May -- entitled Nixon, the Great Society and the Future of Social Policy.)

The Jewish community is participating actively in this great national debate. In our own American Jewish Committee -- at the Board of Governors, the Domestic Affairs Commission, the Washington Advisory Panel, at Chapter meetings, and at the upcoming Annual Meeting -- the subject is receiving close and open-minded consideration. A reading of the growing literature, reinforced by personal discussion, leads this observer to note these general trends in "Jewish" thinking:

- \*\* The "Jewish" interest is both particularist and universalist. Housing projects for the elderly, OEO programs for the Jewish poor, higher costs for Medicare -- these and other concerns directly affect many Jews. Our deep interest in improved community relations and social justice for all people makes us worry about the bitter resentments and further alienation being felt by the disadvantaged and minority groups.
- \*\* A strong Federal role in promoting the social welfare remains vital, even while we seek ways of sharing that role with local government and the private sector. Revenuesharing must not be permitted to weaken the basic Federal commitment to programs that promote social justice.

- \*\* Present social programs should be thoroughly reviewed for possible improvement, but there should be caution and restraint in terminating such programs as Legal Services, Community Action, Model Cities, and Public Employment, unless and until better programs are ready to assume the functions for which they were created.
- \*\* The fiscal implication of adequate social programs must be accepted. If it is not feasible or possible to reduce other expenditures, our tax policies should be reviewed and perhaps modified.
- \*\* Jews must not tire in the quest for social justice; they must not permit their impatience with the slowness of progress to lead to abandonment of that quest; they must not be so disturbed by the irritation of social change and social experimentation that they will be unwilling to take necessary and reasonable risks to meet the costs that may be required.

## Support for Jackson-Mills-Vanik Amendment Continues

The last few weeks have seen very significant moves in the campaign to secure the right of Soviet Jews to emigrate. A historic meeting of 10 Jewish leaders with President Nixon and Henry Kissinger on April 19 brought the welcome assurances that the Soviets had abandoned, though not officially repealed, the education tax. In the days that followed, satisfaction over that development was balanced off by reports that harassments against Jews and the denial of visas to those previously affected by the head tax were continuing.

For a few days, it seemed that support for the pending Jackson amendment (which would deny special trade concessions unless the Soviets permitted truly free emigration) was weakening, because of statements attributed to Wilbur Mills, Hugh Scott, and others. But realization that the real issue was not a particular tax, but free emigration, not only reinforced support for the amendment, but brought additional, vital support. Wilbur Mills reintroduced his bill following a conference with Richard Maass. Russell Long, Chairman of the key Senate Finance Committee, last week joined the 76 Senators who had earlier endorsed the Jackson Amendment.

Following a May 1 meeting with Henry Kissinger, on the eve of his departure for Moscow, a statement was issued by Richard Maass, Max Fisher, and Jacob Stein, expressing appreciation to President Nixon for his efforts on behalf of Soviet Jews, continuing support for the Jackson Amendment, and expressing hope that "continuing efforts by the President and the Congress will achieve the right of free emigration for Soviet Jews."

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Members of National Committee on Arab Influence in the United States MORANQUM

from Ira Silverman

subject PETRODOLLARS, CONTINUED

I am enclosing, for your information, a copy of an article on the impact of Petrodollar growth on the world economy, which appeared in yesterday's <u>Washington Post</u>. I believe it graphically tells the story of the significant danger we all face as a result of the OPEC nations' accumulation of capital surpluses. Unfortunately, however, the author comes to a most gloomy conclusion in the article's final paragraph; we believe that forthright action can be taken to alleviate the situation more effectively than simply "paying the bill." One such approach is outlined in the paper, also enclosed, written by our committee member, Arnold Safer, which I commend to you for its cogency.

IS:1s encs.

77-975-35

# The Real Oil Crisis Is Still To Come

# We May Be Running Out of Borrowed Time To Pay the

## **OPEC Bill**

## By Richard J. Whalen

W E AMERICANS ARE inclined to live with illusions, but we have outdone ourselves when it comes to the economic and political consequences of the Arab oil cartel.

For more than three years we have been acting like cartoon characters who run off the cliff but don't fall at once. We have deceived ourselves with the notion that non-cartel countries could merely borrow money and time and the problem of quadrupled oil prices somehow might go away, that we could manipulate paper curren-

cies and tinker with bookkeeping devices and go on living essentially as we had been doing before the winter of 1973-74. But we cannot.

We and our allies and trading partners are in serious economic difficulties, our feet still planted firmly in mid-air, and unless we recognize this fact, we are likely to be in for a rude descent. It is impossible to predict precisely what form that descent might take. It could include a new round of steep inflation in this country, causing a sharp decline in consumer purchasing power, production and employment — in short, a new recession. It could include a steady erosion in the value of the dollar in international currency markets, possibly even a panicky collapse of confidence and a flight from the dollar. It could result, most destructively, in an ever-widening and bitter trade war that causes the disintegration of the liberal trading system created since World War II.

What is not in doubt is that the oil consuming nations, led by the United States, ultimately will pay a heavy

price for the petroleum we have burned on credit. The question now is whether we have the will to attempt to control events as much as possible, or whether we will continue to let events control us.

#### **Praying It Will Blow Over**

T HIS WILL DOUBTLESS strike many as an unduly gloomy view. Alarm over the oil cartel's impact on the world economy was much in fashion a few years ago, but now complacency reigns even though the political and financial strains are becoming more visible. Influential economists are unconcerned with the falling dollar, spiralling debts and worsening trade frictions because, in their tidy abstract world, surpluses and deficits are balanced to the penny within a closed global economic system whose stability they take for granted.

True, we appear on the surface to have weathered the storm remarkably well, without many of the painful changes and adjustments the Cassandras had warned against. But that is precisely the point: Our strategy has

Whalen, a former journalist for The Wall Street Journal and Fortune magazine, is currently an economic consultant and writer based in Washington. been to skirt the storm and pray it might blow over. It is still blowing, and we may be running out of borrowed time and money.

Picture in your mind's eye the affable proprietors of the Organization of Petroleum Exporting Countries IOPEC) attired as waiters, presenting the bill for the feast to the oil-importing countries. We and our allies and trading partners are aware that we could not afford this feast, that we have been living far beyond our means. But we have consumed the oil and have no choice but to pass the check from hand to hand, watching it grow ever more unaffordable by the moment, hoping that somehow a new economic boom will break out, or a rich uncle will suddenly appear, or something will happen to prevent us from being crushed beneath a burden of debt assumed to support living standards we can no longer afford.

The OPEC bill by now is massive. In 1977, OPEC's revenues are expected to total some \$130 billion, or almost 10 times the cartel's oil revenues only five years ago, before prices were quadrupled. The oil-consuming world is collectively borrowing about \$40 billion a year to close the gap between what it owes OPEC and what it earns by selling goods and services to the cartel. For a year or two, even several years, that cumulative \$40 billion annual borrowing might be sustained. But it cannot continue indefinitely. Nations, like individuals, cannot keep spending or borrowing at a far higher rate than sheir earnings allow. For some, the interest charges slone on the ever-mounting debt swiftly become as burdensome as repaying the principal itself. Moreover, the pyramid of debt upon debt becomes more unstable as the earnings prospects of the borrowers become more and more dubious.

The most vulnerable countries in this over-spending, horrowing and check-passing routine, as widely noted, are in the developing world. They have been paying for their oil bills mainly by borrowing funds that come from a "recycling" of the surplus earnings of the oil cartel. For the past few years, OPEC nations have been depositing dollars with U.S. and other commercial banks in accounts that can be withdrawn on short notice. The banks then use these dollars, at a handsome profit, to make medium-to-long-term loans to oil-consuming nations, chiefly in the middle-income brackets of the developing world.

Since 1974, according to a conservative U.S. Treasury estimate, OPEC's cumulative total surpluses have amounted to some \$145 billion, which the banks have lent out or "recycled." But even though the appetite for OPEC's oil remains vigorous, the borrowing capacity of some of the less affluent consumers is nearly exhausted.

Statistics tell part of this disturbing story. Some threefifths of the new borrowing by non-OPEC developing countries is being used to pay the interest and principal on existing debts, and four-fifths is going to repay private banks. According to a recent analysis by an American Express affiliate, half the dollars borrowed by developing countries will be used to repay debts by 1980, and two-thirds by 1985. Interest charges alone now cost the developing countries about \$21 billion a year. a 75 per cent increase since 1073. The International Monetary Fund estimates that for the developing countries as a whole, interest charges will absorb about 12 per cent of their hard-currency earnings from exports. For some Latin American countries — Peru, Argentina, Mexico, Brazil — the figure is much higher. As of mid-1976, Brazil alone owed commercial banks \$17.4 billion, more than \$11 billion or it to U.S. banks.

But these debt-burden statistics, and others even more pathetic depicting the plight of the poorest of Third World oil-consumers, are not the most troubling parts of the crisis. What is more worrisome, at least so far as this aspect of the problem is concerned, is the wholesale retreat of commercial bankers from the once lucrative but now too risky business of lending to oil-consuming countries in the developing world. As rapidly as they can, the banks are turning the recycling responsibility over to publicly financed lending agencies, such as the IMF, which recently expanded its lending capacity. Thus, through our IMF contributions, U.S. taxpayers are beginning to assume part of the risk borne by the bankers during the initial round of oil dollar recycling. And the question of how to finance OPEC-caused debt is passing from the abstract realm of economics and finance to the arena of domestic and international politics.

For the banking system, a real danger does exist that one or more countries will default on their debts. Not long ago, Federal Reserve Board Chairman Arthur Burns privately tongue-lashed a group of commercial bankers for their recklessness in stuffing their vaults with suspect IOUs — and then turning to the Fed and the IMF for assurances of a ballout if these loans go sour.

#### A More Ominous Problem

**B** UT THIS RISK of default, which could be dealt with by stretching out repayment terms, is not the most ominous part of the overall trend in petrodollar finance. The larger part of the problem is that more and more of the oil-consuming world's total debt to OPEC is coming to be financed by U.S. over-spending and borrowing, by the United States buying far more oil and other products than it can really afford and thereby putting more dollars in the hands of other nations so they can purchase oil. It is as though the check for the oil feast, after passing round the table, is winding up permanently in Uncle Sam's hand.

There are those who would applaud the poetic justice of the world's biggest energy consumer getting stuck with the check. But there is much more to the unfolding oil finance crisis than simple (or complex) ideas of justice.

The ability of the United States to pick up the check for the rest of the oil-consuming world is subject to the international money markets' judgment not merely of our economic resources, but also of our political wisdom and skill in managing the economy. The value of the dollar — and much else — depends on how much long-term confidence dollar holders, particularly the Saudi Arabians, have in the dollar.

The United States currently is paying some \$45 billion for imported oil. After subtracting our income from goods and services we sell to the world, the United States is running a net trade deficit this year of almost \$30 billion at an annual rate. After further subtracting our income from foreign investments and other overseas transactions, the United States will wind up with a net balance-of-payments deficit in the \$15 billion range. That \$15 billion is used by the rest of the world chiefly to pay for oil, whether the dollars go first to OPEC nations and are then lent out through the banking system, or whether they go directly to other trading partners for their goods. (In the first quarter of this year, for example, the United States ran a trade deficit of \$1.8 billion with the non-OPEC developing countries, in contrast with a surplus almost as large in 1975.)

By itself, for the United States to run a \$15 billion deficit for a year or two is no cause for alarm. The United States, by far the world's most creditworthy borrower, can readily find the money. Indeed, money seeking refuge from political insecurity has been pouring into the United States from Europe and the Far East.

But in the view of many more troubled nations in the increasingly shaky world financial system, it is becoming essential for the United States to run a more or less permanent payments deficit. Otherwise, those nations will not be able to find money to pay for their mounting oil bills. As Brazil's finance minister, Mario Simmonsen, declares: "We are in the second phase of the oil crisis the permanent phase."

The United States, however, cannot run a a more or less "permanent" payments deficit. At some point in the not too distant future, that would end up undermining the dollar. Since 1973, following two devaluations of the dollar, there have been no fixed exchange rates in the world financial system. The relative values of major currencies, including the dollar, "float" against each other depending on the market's reaction to different countries' trade and balance-of-payments positions, to their flow of investments, and, importantly, to their comparative domestic rates of inflation. Central banks no longer "peg" their currencies at fixed rates, though they do intervene in the market's to support them.

The virtue of flexible exchange rates is that every adjustment of currencies' relative values does not require a crisis, as it did during the late 1960s and early 1970s. The world financial system might have collapsed two or three years ago if it were still based on fixed exchange rates pegged to a stable dollar. Moreover, without floating rates, the world economy could not have accommodated the unprecedented and continuing financial strains produced by OPEC surpluses. But the defect of the "dollar standard" is the lack of an anchor in the system. The value of the dollar can fluctuate sharply, greatly increasing the risks of dollar-holders such as the oll-rich Arabs.

In any event, "floating" exchange rates by themselves cannot accomplish the fundamental adjustments which have been forced on the world economy by OPEC but which thus far have been largely delayed.

Treasury Secretary W. Michael Blumenthal and other senior officials recently have been asserting that the mounting U.S. payments deficit is our generous contribution to international financial stability and the collective adjustment to OPEC's price escalation. It is also politically the least painful course to follow, compared with belt-tightening to balance our energy budget, as our skeptical allies in Bonn and Tokyo are quick to point out.

As they see it, the Carter administration has been deliberately running a deficit and thereby tacitly devaluing the dollar again — trying to gain a competitive advantage for U.S. exports. That would tend to pass a large part of the oil check back to our rich trading partners.

The allies also accuse the United States of attempting to shift part of the burden for paying for our runaway oil imports to Western European and other nations. (Spain, Brazil) with which we are running large trade

surpluses. Dismissing Washington's pretensions to international virtue, they note, accurately, that the United States has a unique advantage in the world trading system: It can settle its debts by printing more dollars i.e., by allowing our domestic money supply to rise faster than the currencies of our major trading competitors are inflated. The West Germans, with their hyper-sensitivity to inflation and their delight in large trade surpluses, are caught in an exquisite dilemma: They hold almost twice as many dollars in their official reserves as we do in ours, and they accuse us of "exporting inflation" to them through our payments deficits.

#### **Our Baffled Allies**

IN RECENT MONTHS, the United States has pursued a kind of dollar diplomacy that has alternately baffled and infuriated our chief allies. For example, they were treated to the novel spectacle of seeing an American Treasury Secretary throw his weight against an "overvalued" dollar in the foreign exchange markets.

In late June, Blumenthal startled Western finance ministers at a Paris meeting by declaring: "We need significant shifts — into deficit — in the [balance of payments] positions of such surplus countries as Japan, Germany, Switzerland and the Netherlands." Blumenthal's blunt admonition came after frustrating months of behind-the-scenes pressure on the Japanese and the German's to reduce their huge trade surpluses and allow their currencies to rise in value.

Until then, despite the skyrocketing U.S. trade deficit, the dollar had been strong. Blumenthal's manufactured "crisis" succeeded in frightening foreign bankers and brokers and their clients — especially Arabs holding vast amounts of dollars. (They also hold billions of dollars worth of Treasury securities which have painlessly financed recent U.S. budget deficits, one of the important benefits of a stable dollar that Blumenthal seemed to overlook.) In any event, as foreigners took the Secretary's advice and switched to "stronger" currencies, the dollar plummeted.

Despite the pressures for a more or less permanent U.S. payments deficit, Secretary Blumenthal has tried to depict the OPEC-caused imbalances and dislocations in the world economy as passing phenomena. As he declared last May:

"The present situation is a temporary one . . The trade deficit is so high in 1977 because of the unusually heavy demand for energy in the early part of the year because of the unusually had weather. Secondly, the trade deficit is so great because the American economy is ahead of the other economies in terms of its recovery.

... When other countries catch up in their economic growth and development ... [the U.S. bulance-of-payments] deficit will be smaller or it will be eliminated. Therefore we don't see this as a permanent situation."

Secretary Blumenthal's key assumption of more rapid recovery abroad is not shared by observers closer to the stagnant economies of Western Europe, who see no signs of an eventual "catch-up" with the United States. On the contrary, the Organization for Economic Cooperation and Development recently revised its estimate of the 1978 growth rate for member countries on the Continent downward to a mere 2.7 per cent, which would push politically dangerous unemployment higher. In West Germany, the prime economic mover of Europe, the jobless rate is above 5 per cent, which is considered a crisis level in that country. In Europe, as in the United States, business capital

In Europe, as in the United States, business capital spending, which had been expected to provide increasing impetus to recovery, remains disappointingly sluggish. There is no shortage of investment funds — only a shortage of risk-takers, as Dr. Kurt Richebacher of Frankfurt's Dresdner Bank wrote last spring: "Just as water piles up behind a dam, monetary capital is accumulating in the financial markets ... [because] costs and risks are out of all proportion to the prospects of profits."

In Japan, too, business activity is stagnant, inventories are rising and plant and equipment investments are flat. According to the Bank of Japan's latest figures, shipments of capital goods declined in the second quarter this year, the first such drop since 1975, and machinery orders fell 7.5 per cent below the previous quarter, indicating corporate plant and equipment spending will shrink.

Under intense pressure from Washington, Japanese monetary authorities are allowing the yen to appreciate, which in theory should make Japanese exports, such as automobiles and consumer electronic goods, more ex-

pensive. But Japanese industry, with its heavy debt, "lifetime employment" policies and high fixed costs. typically prefers to absorb the effects of a rising yen rate rather than increase prices and risk a decline in volume.

Throughout the industrialized world, OPEC has nullified the principal motive for new investment — profits — and therefore greatly increased the danger of renewed recession.

## Hoping to Avoid a Recession

**B** Y RAISING ENERGY costs to levels that industries and households alike cannot afford, OPEC, in effect, has permanently destroyed a significant part of the U.S. and other non-OPEC economies. In an original analysis, two economists at the St. Louis Federal Reserve Bank, Robert H. Rasche and John A. Tatom, recently an nounced this startling conclusion:

"The large increase in the price of energy in 1974 permanently reduced economic capacity, or the potential output of the U.S. economy, by 4 to 5 per cent. The productivity of existing capital and labor resources was sharply reduced . . . To maintain real output at its original [pre-OPEC] level, commodity and industrial prices must rise by the same percentage as the increased energy cost to restore all relative prices to their original values."

In other words, the U.S. economy is forced to operate roughly \$90 billion below its potential because of OPEC's uncompensated price increases. Under the Carter administration's energy program, the United States would belatedly begin raising costs and prices to the new level imposed by the oil cartel, hoping the result would not be recession. Washington's freedom to apply stimulus to the domestic economy is limited by the pileup of dollars outside the United States, because policymakers must fear the market's reaction to a real or potential rise in inflation.

With oil selling at \$13.50 a barrel, the world economy is clearly out of balance. To restore equilibrium, the persistent OPEC trade surplus must shrink and eventually disappear. Either the price of oil must come down, or the consumption of oil must dramatically decline. If OPEC held the price steady for a few years, worldwide inflation obviously would reduce the real price of oil. A severe recession that reduced demand for oil probably would eliminate OPEC's surplus of dollars, but that benefit surely would be lost in the general political upheaval that would ensue.

A less drastic remedy obviously would be for the oilproducing countries to directly finance the sale of their oil to consuming countries, a practice they now confine to the poorest developing lands. But the Arab oil producers running the biggest surpluses — Saudi Arabia, Kuwait, and the United Arab Emirates — show little inclination to transact business in any currency except dollars — at least up to now.

The United States will run a trade deficit of roughly \$25 billion this year, another on the order of \$20 billion next year, and probably still another in 1979. If this trend continues, the Western bankers who manage the Arabs' financial affairs will certainly advise them to "diversify and spread their risks" by selling dollars and buying German marks, yen and Swiss francs. This would steadily weaken the dollar in money markets. If this erosion of the dollar were to snowball, it is entirely conceivable that substantial dumping of dollars would occur.

The fate of the British pound is worth noting in this respect. A couple of years ago, as the British allowed inflation to soar and the exchange rate of the pound fell, the OPEC nations "pulled the plug." Nigeria alone withdrew half its pound reserves from London in a single day.

#### The View From Saudi Arabia

O PEC IS EXCHANGING a "real," non-renewable natural resource — petroleum — for paper dollars backed solely by the world's confidence in U.S. strength. The dollar is not only an international medium of exchange for purchasing goods and services. For Saudi Arabia especially, with its unspendable surplus, the dollar is also a store of value for the future, a means to provide for the time when the oil runs out.

Saudi Arabia is keenly aware of the power of its "oil weapon," but the kingdom thus far shows little sign of realizing that it also holds the balance of world financial power. Saudi Arabia's official reserves stood at about \$27 billion at the end of 1976, nearly double its \$14.3 billion at the end of 1974. The concealed reserves of the Saudi Arabian Monetary Agency are believed to lift the total to near \$55 billion, or more than the combined official reserves of West Germany (\$34.8 billion) and the United States (\$18.7 billion). In contrast to free-wheeling Iran and sophisticated Kuwait, Saudi investment policy abroad has been very conservative. Up to now, the Saudis have tended to buy the kind of financial assets the Americans wanted to sell, such as U.S. Treasury bonds, just as they tended until recently to sell their oil on terms and in amounts favored by the Americans.

But the Saudis who have custody of the kingdom's reserves take their long-term responsibility quite seriously. The staff of the monetary agency can be seen daily at midday, praying in the entrance hall of their building. If they should one day lose faith in American promises (or even worse, American foresight and intelligence) and conclude that Washington has no intention of imposing tough restraints on its energy consumption, narrowing its payments deficit or maintaining the international value of its currency, the Saudis might well decide prudently to "lighten up" on dollars and switch to other assets. By liquidating only a modest fraction of their dollar holdings on the foreign exchange markets, the Saudis could unleash tidal waves of homeless liquidity, cause unprecedented currency distortions and prompt the wholesale erection of restrictive international trade and financial barriers. The result of such a dollar crisis could be the destruction of the liberal trad-

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ing system that has been the West's great economic achievement of the past two generations.

Alternatively, the Saudis could simply accept fewer dollars (and risks) by curtailing their oil production. To finance their ambitious internal development program, the Saudis need to pump only about 4 million to 5 million barrels of oil a day, as opposed to their recent output of about 9 million barrels daily. An influential body of opinion within the Saudi ruling family holds that the best way to preserve the kingdom's oil riches is in the ground, not in inflation-ravaged paper.

Just now, the world supply of oil is more than ample, to say the least. But recent Saudi production cutbacks have not gone unnoticed by Secretary of Energy James R. Schlesinger and his top aides, who fear a future supply-demand squeeze that would send oil prices soaring.

There is no politically attractive "solution" to the massive problems caused by OPEC's price increases and surpluses, which is why it has taken so long for the United States to devise an energy program. Indeed, there may be no solution of any kind short of an early decline in the real price of oil or a drastic decline in the consumption of oil. Nations cannot keep on spending and borrowing far beyond their real earning ability. One way or another, we are bound to pay OPEC's bill.

## U.S. Oil Policy: Implications For The Mideast

By

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Disclaimer:

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## Introduction:

The most serious flaw in the President's energy package is its virtual silence about OPEC. If the President is asking the American people for sacrifices, then he should be prepared to tell them what plans he might have for at least attempting to dilute the price-setting powers of the cartel. Present sacrifice should have the prospect of future reward.

## A Different Economic Perception:

The Administration contends that the world as a whole is facing a physical shortage of oil as early as 1985. That proposition is open to question. There is an economic shortage in the U.S. because controls hold prices below market clearing levels. The U.S. may have a physical shortage at current controlled price levels; but it is improbable that the world as a whole is facing such a shortage. By the end of 1977; OPEC will have excess capacity of 12 MMB/D, some 25% of non-communist world consumption. And that is only in terms of the producing capacity of <u>proven</u> oil reserves! According to even the most conservative geologists, ultimately recoverable oil reserves around the world are vastly in excess of what the world will need for several decades. If world oil supplies run short in the next 20-25 years, it will be due to the politics of oil conflicting with its economic and engineering requirements.

Soaring energy costs today are less the result of impending physical shortage than of OPEC's monopolistic pricing practices. Until the OPEC issue is recognized, dealing with the physical shortage alone may be costly and ineffective.

In his energy program, the President has stressed the goal of reducing U.S. oil imports over the next eight years. Through a mix of energy conservation and new supplies of alternate fuels, the President hopes to gradually reduce our dependence upon OPEC oil supplies. Although the President did not explicitly state that one objective of his energy program might be to dilute the price-setting power of the oil cartel, the goal of reducing U.S. oil imports implicitly leads to the conclusion that the U.S. would like to achieve a greater influence over the setting of international oil prices. Thus, if our contention is correct that it is only the U.S. which has a temporary physical shortage, sufficient oil supplies will continue to be available from other countries. Therefore, we should be able to change the mechanism by which we import our oil today, and thereby at least try to obtain better commercial terms for our oil imports.

## Technical Proposals

Various technical plans have been proposed for altering the oil import system. These range from a complete takeover of all oil imports by the U.S. government on the one hand, to granting an anti-trust exemption to the international oil companies so they can more effectively bargain with OPEC, on the other hand. More recently, proposals have been made to change the system of foreign tax credits granted to American oil companies, thereby changing the profit incentives of the companies in their dealings with OPEC. Perhaps the most widely known proposal for altering the oil import mechanism is the so-called Adelman Plan, involving a system of secret bidding for the right to sell foreign oil in the U.S. Professor Adelman of M.I.T. proposes that each month, the U.S. government should set an import quota and auction off import tickets to those who would like to sell foreign oil in the U.S. An oil company, an OPEC government, or anyone else who might have foreign oil to sell would have to submit a sealed bid as to the amount he would pay for his oil import franchise. The U.S. government would collect those revenues from the sale of the import tickets and rebate them back to the American public. If a foreign oil exporter desired to increase his U.S. market share, he could increase the amount which he would pay for the import ticket, and thereby presumably accept less on a net basis for his oil. The potential would be created for one OPEC country to secretly compete with the other.

## Market Conditions:

The "sealed bid" approach, or other plans to stimulate competition in the international crude oil market, become attractive options for dealing with monopoly pricing provided

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that market conditions exert sufficient pressure on some OPEC members to expand their oil exports through price-cutting. Since growing surpluses in the international oil market are likely to occur, at least between now and 1980, the time may now be opportune to take direct action to dilute the price-setting powers of the oil cartel. International action does not minimize the need for a strong domestic Energy Policy, but in fact reinforces that need.

OPEC's recent unity on pricing, as well as its benign stance toward oil-consuming nations, may be an attempt to cover up a major underlying problem it will have to deal with over the next two or three years. Even as world demand for oil remains sluggish, new oil sources are coming on stream. Between 1977 and 1980, world consumption (outside the communist bloc) is likely to increase by only 4 or 5 million barrels per day. Yet new oil supplies--from the North Sea, Alaska, Mexico and many other sources--will increase by 6 or 7 million barrels per day. For OPEC as a whole, this means declining sales; for some member countries, it will mean cutting back oil production. And, as almost every OPEC member is realizing, rising import costs are making it almost impossible to cut back oil exports without jeopardizing development objectives.

The way for any one OPEC country to maintain its oil sales in the face of declining demand would be to cut prices. The incentive to do so will grow as excess capacity builds within OPEC over the next two or three years. To prevent this, OPEC must either set up a centralized allocation system or agree to lower prices in an attempt to stimulate overall demand. The adoption of either alternative will further erode OPEC unity and will mean increased bargaining power for the consuming countries.

The timing may now be critical. The period 1978-80 offers the best opportunity to dilute the cartel's influence over the world oil market, or, at the least, to reach a more healthy accommodation with its legitimate aspirations.

## A Different Political Perception:

Yet, why has there been little or no U.S. government response in this direction? The answer, it seems to me, is a fundamentally different perception of the energy problem

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on the part of U.S. Mideastern policymakers. First, forecast worldwide oil shortages in the 1980's. Second, and as a consequence of this projection, emphasize how dependent the U.S. is upon Mideast oil for the viability of its economy. Finally, couple this oil dependence with growing Arab economic influence to suggest a diplomatic tilt toward the Arab side of the Arab-Israeli dispute.

The corrolary to this theorem is that any attempt to confront the OPEC cartel on commercial grounds could be destabilizing to Mideast politics, particularly in the Persian Gulf. That is, if intra-OPEC frictions grow as a result of competitive pressures in the oil market, there could be increased instability in the Mideast oil producing nations. In this volatile area of the world, violence could erupt and could cause serious physical damage to oil producing and transportation facilities, thereby halting the flow of oil. Or, intra-OPEC frictions could even result in the overthrow of conservative pro-Western Arab regimes, and open up possibilities for increased Soviet influence in the Persian Gulf. Thus, it seems to me, that the U.S. government will not attempt to dilute the price-setting powers of the OPEC cartel, at least not directly, but rather accept the monopoly price of international oil and the continuing economic damage which it is doing. This acceptance of the cartel and the dominant role played by the Arabs within OPEC, means a continued erosion of support for Israel in the diplomatic arena. Because, if push comes to shove, the political perception exists that the Arabs can again cut off the oil, or severely damage the economy by raising oil prices significantly.

On the other hand, a different reading of the international oil problem would result in a different political perception of an appropriate U.S. policy role in regard to the Arab-Israeli conflict. If the U.S. were to adopt an international oil policy which attempted to dilute OPEC's monopoly power in the international oil market, seeking in fact to reduce international oil prices during the coming period of market surplus, then a strong, democratic Israel would become vital to U.S. interests if and when a split within OPEC led to increased political instability in the Mideast. That is, if intra-OPEC frictions on commercial oil policy grounds lead to both a lower price for international oil and increased unrest in the Persian Gulf, then a strong Israel may be our best ally

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for controlling the diplomatic, economic, and military situations. How long the current regime in Saudi Arabia and the dictatorships in Iran, Iraq, and Litya can last may be independent of what the U.S. does anyway. For example, a recent report from Saudi Arabia states that 1500 army and other officials were arrested for plotting a coup, apparently backed by the Libyan government. Discovered by an Egyptian military advisor, these events could explain last month's border war between Egypt and Libya. But to the extent that commercial actions by the U.S. might be related to growing instability within or among these OPEC nations, then the capabilities of the U.S. to respond to potential left-wing, Soviet backed regimes in the Arab world would be enhanced by increasing the U.S. commitment to Israel. In other words, it's not a one way street heading in the Arab direction, as currently perceived by some Mideastern policymakers in the American government.

#### Conclusions

To summarize, as political perceptions now exist, attempts to dilute OPEC's price setting powers along commercial lines become counter-productive to the diplomatic thrust of maintaining OPEC's cohesion in the interest of maintaining Mideastern political stability. Unless this perception is turned around, it seems to me that U.S. foreign policy will increasingly tilt toward the Arab cause and away from the Israeli. Domestic political pressure by U.S. Jewish groups for greater American support of Israel will be ineffective rhetoric in the face of the reality of growing Arab dominance of the world's oil supplies and of vastly increased Arab economic influence. Hence, before the U.S. government even contemplates new commercial mechanisms for the import of oil, in the interest of attempting to dilute OPEC's price setting powers, present foreign policy perceptions will have to change significantly.

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## The Control of Oil by John M. Blair (Pantheon; \$15)

## The Brotherhood of Oil by Robert Engler (University of Chicago; \$12.50)

In late May, the Wall Street Journal commented at length on the energy crisis. The editorial was so in conflict with reality that one was tempted to dismiss it as a work of unwitting satire by an unconscious Russell Baker, but it was a serious symptom of the debased level of public discussion in this area. It is appalling that business ideologists at the Journal, or Republican Presidents and oil Democrats can soberly suggest that the Platonic simplicities of Economics One be applied to an industry which is a monument to at least a half century of violating both the anti-trust statutes and the law of supply and demand. Only they do and people seriously debate whether price decontrol might not accurately price energy resources and thereby fix their use at the proper level.

These new books by John M. Blair and Robert Engler are a marvelous antidote to such nonsense. They are massively documented, analytic studies of what Engler calls "the rapacious and corrupting private government of energy," an institution, I would add, which is more dirigiste than the government of the United States itself. Yet if Control and Brotherhood often cover common ground, they do so from different points of view and come to contrasting policy conclusions. Blair is an economist who knows of the oil conspiracy against the public interest from years of staff work as a Senate trustbuster, and sees hope in the anti-trust solution. Engler is a political scientist, sensitive to the complex issues of power in this case, and inclined-in a most undogmatic, critical way-toward truly democratic planning and socialization.

Since the 1920s, the oil industry has carefully contrived to control supply. In the old days, when weak, corrupt Middle Eastern governments were clients of the Seven Sisters, that was done by collusion with, or the deception of, sovereign states. Within the United States itself, there was the "prorationing system" based on the Texas Railroad Commission and enforced by a Federal law against "hot oil" (*i.e.*, produced in violation of state quotas) in interstate commerce. When this system was challenged—by Mossadegh's nationalization of Iranian oil in the early '50s, or by Enrico Mattei's aggressive leadership of the publicly owned Italian energy complex—boycotts and embargoes were organized, governments were overthrown and, in Mattei's case, murder may have been used as a weapon. Indeed, every single tactic which has been used by the Arabs against the West was first used by Western corporations against the Arabs.

This careful control of energy supply did not, of course, extend to oil alone. The case of shale is instructive in this regard. After both World War I and World War II, the Federal Government launched R&D programs to learn how to effectively extract oil from the abundant Western shale. The first effort was killed by Herbert Hoover in 1930; the second was ended under Eisenhower pursuant to a recommendation made by an industry panel. It was like, the Denver Post said, asking a jury of railroad presidents to determine the subsidies for the trucking industry. But one company persisted in trying to develop this source-only to have Gulf buy a 23 percent interest in it, thus persuading it not to upset the industry's Plan.

The failure to understand this system has led many people to argue that American prosperity in the '50s and '60s was built on "cheap energy." They do not realize that the oil import quota program, instituted by Eisenhower in the late '50s and retained by Nixon even when his own Cabinet commission told him it made no sense, kept cheap oil out of this country. It would, after all, have competed with expensive American oil and kept us from following our "Drain America First" policy. In the '60s, Blair estimates, consumers paid about four billion dollars a year because they were denied access to that cheap oil. Engler shows how Nixon also finessed the maverick Occidental company and the entire New England region. They wanted to locate a tanker terminal and a refinery in a foreign trade zone to be created at Machiasport, Maine. Six governors and the entire New England Congressional delegation went to bat

for the scheme; the oil majors were against it. Oil won. (There were important environmental issues at stake, but that was not why the scheme came a cropper.)

All of this was accomplished by straight politics and by the most devious maneuvering and even corruption. For instance, as both Blair and Engler note, a major figure in the oil import quota decision was then Treasury Secretary Robert B. Anderson-a Texas oil man who just happened to hold a contract allowing him to benefit from an increase in oil prices when he impartially helped decide what American policy would be on oil prices. It was the same Anderson, Engler shows, who in 1960 had convened the representatives of the two American companies with refineries in Cuba and, in effect, urged them to take an intransigent stand against Castro's insistence that the plants refine Russian crude. And that, of course, was a critical moment in the fateful deterioration of American-Cuban relations.

Industry's regulation of supply accomplished with the full support of the United States government which, for all intents and purposes, waived the anti-trust laws for the oil planners and

(over)

THE NEW REPUBLIC

presented them with hundreds (yes hundreds) of billions in tax subsidies was astonishingly effective. The growth rate in supply projected by the companies between 1950 and 1972 coincided 99.9 percent with the actual increase in supply. And this feat is made all the more extraordinary in that the industry had to coordinate a varied range of national components to achieve their projections.

Let such bygones be bygones, the oil apologists now say. The fact is, the industry needs high rates of profits in order to get the capital to invest in solving the energy crisis. That assumes that the very same companies which took hundreds of billions of government handouts and used them to make this country unnecessarily dependent on foreign imports have the social wisdom and conscience to deal with the problem they did so much to create. It also ignores the fact that oil targets its profits, dictating to the market rather than deigning to obey its commands. Thus Exxon told the Senate in 1974 that "a return on equity at least in the 14 percent-16 percent range is required." Required for what? To serve the energy needs of the American people, the industry argument holds. To be invested in making more money-in Ringling Brothers, Montgomery Ward or what have you-the facts show. Thus the chemical industry has been quite able to raise capital on its own, not the least because it is the largest earner of dollar exchange of any US manufacturing industry. And yet, in 1973, 7.1 percent of oil's net investment in fixed assets, within the United States and worldwide, was in chemical plants.

Moreover, there is abundant evidence that the companies are still colluding with OPEC. As Blair puts it concisely with regard to the two "sides" in this relationship, "their common interest in the maintenance or enhancement of price transcends their interest as individual buyers or sellers . . ." That cozy, symbiotic relationship also explains why the corporate oil politicians are anti-Israel and pro-Arab (the various ultra-Left theories which see Israel as the pawn of American imperialism have got the issue upside-down even though the facts are incredibly obvious).

In the presence of such structures of government-supported, price and supply fixing, what can the society do? Decontrol, says the Wall Street Journal and the "free market" ideclogues. That is, to put it kindly, preposterous, for it would simply free the companies to rig

the market for windfall profits. John M. Blair, on the other hand, rejects the nationalization solution for political reasons (there is little Congressional support for it) and on economic grounds (he thinks it could institutionalize inefficiencies). Yet, he is also critical of a regulatory approach, both because of its administrative difficulties and its tendency to perpetuate inefficient producers and allocations. He favors the public promotion of competition in an industry where the spread between cost and price is greater than any other (except pharmaceuticals) and there is therefore, ample room to encourage undercutting which can still yield handsome profits.

This could be done, Blair argues, partly under existing law: ending the collusion in the concerted restriction of crude production, and forcing the majors to share more of their crude with independent refiners. And it would also demand new legislation to break up vertically integrated structures. There is merit in all of those approaches, even though I do not think Blair sufficiently copes with his own excellent documentation of the dreary record of anti-trust failure in this area. What bothers me is the rather off-handed rejection of the planning and public ownership strategy, which could parallel some of Blair's proposals. In this area, I find Engler's fine book most compelling.

This is not to suggest that Engler, or I, regard nationalization as a miracle cure. That fantasy can be left to those leftist simplifiers who are content with merely inverting the Wall Street Journal's dogmas. "State capitalism;" Engler comments, "may be no more efficient than its private counterpart. And public authorities may be equally insulated from democratic accountability." Moreover, there are decentralist policies which could point in new directions, i.e. an REA-type subsidy for locally owned and controlled solar cooperatives. It worked with conventional electrification in the rural areas; why not with the harnessing of the sun? The problem, as Engler shrewdly understands it, is that we are dealing with an enormous concentration of political power in the oil industry. That can only be offset by a counter-concentration of democratic power, for as long as the corporate status quo exists, both regulation and anti-trust can be rigged by its power.

In thus preferring Engler's policy analysis to Blair's, I do not want to sleight the latter's book. Both of these studies are enormously and helpfully substantial. Still, I am persuaded by Engler's very un-Messianic, critical awareness of the need for a basic restructuring of the decision process. It may well be, as Blair says, that such a move is politically quite difficult. The problem is, as Engler so rightly concludes, it is the only possible alternative and we have to take the first step on that fabled journey of 10,000 miles.

## Michael Harrington

Michael Harrington is chairman of the Democratic Socialist Organizing Committee.

## THE AMERICAN JEWISH COMMITTEE

date October 18, 1978

to Area Directors (one per office; please share)

from Sonya Kaufer

subject PLO and Arab Rejectionists: Obstacles to Mideast Peace

Saudi Arabia on the Fence

Concessions in the Interest of Peace

A Victory for Peace and A Triumph for Negotiations

The four op-eds attached cover different aspects of the Israel-Egypt negotiations. It would be helpful if you could persuade several members of your chapter to send them to their local papers within the next week to ten days.

Regards.

memorandum

SFK:hp cc: National Professional Staff 78-965-34

## PLO and Arab Rejectionists: Obstacles to Mideast Peace

The condemnation of the Camp David Agreements by Syria, the Palestine Liberation Organization and the radical Arab rejectionist front, and their active attempts to sabotage Israeli-Egyptian moves towards peace demonstrate to the world that they have no hope of retaining their destructive influence except by prolonging the conflict in the region. This explains their daily attacks on President Sadat for his courageous decision to recognize Israel, make peace, normalize relations, and put an end to three decades of warfare in the Middle East.

With Soviet and radical Arab support, the PLO has continued its campaign of terror, strengthening Israel's conviction that her very existence would be threatened by the establishment of an independent PLO-run Palestinian state on her borders.

By rejecting the Camp David Framework for Peace Agreements, the PLO, Syria, and the other extremists are demonstrating once again that they are not interested in peace in the Middle East. This has led President Sadat recently to declare: "I have had enough,... their ingratitude and obscenities have gone beyond all limits... I shall never put the destiny of Egypt or the Arab cause in the hands of those children, those murderers."

## Saudi Arabia on the Fence

In justifying its sale of F-15 jet fighters to Saudi Arabia last spring, the Carter Administration declared that "Saudi Arabia is of critical importance as a moderate, constructive influence in the Middle East, particularly in the quest for peace." Yet Saudi Arabia has refused publicly to support the agreements reached at Camp David, which provide a suitable framework for a peaceful settlement of the Arab-Israel conflict.

Success in translating the Camp David accords into agreements that will bring peace to the Middle East depends, to a significant degree, on regional support for these moves. Saudi Arabia, which shares with Egypt, Israel, and the United States a common interest in promoting the peace and stability in the area, is instead lending encouragement to the radical Arab rejectionist front and the Soviet Union in their efforts to sabotage the peace effort. If the Saudis are to merit Washington's designations as a 'moderate, constructive'' force, they will have to stand up and be counted on the side of the Camp David efforts to achieve security and peace for all the peoples of the area.

## CONCESSIONS IN THE INTEREST OF PEACE

In assessing the Camp David achievements, it is important to keep in mind that a major factor in the successful conclusion of those negotiations was the far-reaching concessions made by Israel.

Barely a month after Egyptian President Sadat's historic visit to Jerusalem, Israel offered to return full sovereignty over the Sinai Peninsula to Egypt. At Camp David, Prime Minister Menahem Begin went even further, agreeing to give up vital military airfields, withdraw all Israeli troops, and -- with the approval of Israel's parliament -- to remove and relocate all Israeli civilian settlers from Sinai. The overwhelming support given the Begin agreements by Israel's parliament and its people highlight that country's strong desire for peace and the risks it is prepared to take to achieve it.

The Camp David agreements regarding the West Bank and Gaza -densely populated areas which pose an even potentially greater security risk to Israel than Sinai -- also point up Israel's readiness to compromise in the interest of peace. In December 1977, Prime Minister Begin proposed a 26-point plan that would grant self-rule to the Arab residents of the West Bank and Gaza, and dismantle Israel's military government, while leaving the issue of sovereignty open. Last July, at the Leeds Conference in England, Israel's Foreign Minister Dayan indicated that his country was prepared to discuss the question of sovereignty during the 5-year transitional period of Arab self-rule and would also consider a territorial compromise on the West Bank if the Arabs preferred it to the self-rule proposal.

... continued ...

At Camp David, Israel went even further in agreeing to reduce and withdraw its security forces to designated locations, to permit the creation of a Palestinian Administrative Council that would handle all internal matters, including local policing, and to formally recognize the legitimate rights of the Palestinian people by providing for their participation in the determination of the ultimate status of the West Bank and Gaza.

In all of its dealings with President Sadat since his courageous, historic visit to Jerusalem last winter, Israel has proved that it is ready to do everything possible to bring about the peace its people have yearned and worked for from the very first day of Israel's birth.

## A VICTORY FOR PEACE AND A TRIUMPH FOR NEGOTIATIONS

The question of who won or who lost at Camp David may be best left for future historians. What is clear now is that the Camp David Agreement has been a victory for peace. Furthermore, it has proved what Israeli leaders have been saying for 30 years -- that only through direct negotiations can peace be achieved in the Middle East.

Prior to the face-to-face negotiations at Camp David it was unreasonable to expect that either side to the dispute would be prepared to make concessions. Camp David has demonstrated that only by meeting face-to-face were Egypt and Israel able to move away from previously held positions, show their good faith, and ultimately accept the compromises required for a just and lasting peace opening the way for normal and friendly relations between their two peoples. THE AMERICAN JEWISH COMMITTEE

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October 18, 1978

Members of the FACommission Steering Committee TO: Morris Fine FROM:

# AMERICAN JEWISH

You will be interested in the enclosed two reports. One is by Richie Maass on his recent meeting at the White House and the other by Evelyn Sommer, representative of WIZO at the UN, on her trip to the Soviet Union.

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MF/ac Encs. (2)

cc: Area Directors Staff Advisory Committee

78-550-83

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Memorandum of Meeting at the White House, Tuesday morning, September 19, 1978 - 9:00 A.M.

Present from the White House: President Carter, Vice President Mondale, National Security Advisor Brzezinski, Assistant Secretary of State Saunders, Hamilton Jordan, Ed Sanders, Bob Lipschutz.

Present from the Jewish community: Ted Mann, Chairman of the Conference of Presidents; Bertram Joseph, Chairman of ADL; Howard Squadron, President American Jewish Congress; Larry Weinberg, Chairman AIPAC; Saul Teplitz, Chairman Synagogue Council; Rabbi Israel Miller and RM.

Saunders opened the meeting by giving considerable background about the manner in which the Camp David meeting was held; the intensity of the negotiations offset by the informality of the setting; the lack of agreement which existed until the last day of the meeting. He said that the President had devoted over ten to twelve hours a day to the problems, working on drafts, trying to resolve position papers, etc. He said that he felt that the single thread which held negotiations together was the deep religious commitment of the three parties and the recognition by both Sadat and Begin of this commitment by Carter. He said that the President proceeded from his recognition of three points which had to be resolved: Security of Israel, legitimate rights of the Palestinians and the time to deal in sequence with problems by testing them on the ground. The latter point was referring to Gaza and the West Bank. He said that the President worked out the Sinai security agreement with Begin personally and that the final arrangements re Sinai were basically in the words of Carter who had drawn up a number of drafts. He said that on one night he had been called to the President's cabin after 3:00 A.M. and found the President working on a draft statement.

Brzezinski came in at this point and repeated what Saunders had said about the importance of the religious commitment of the three men. He also talked about the intensity of the negotiations and the early morning hours during which the President worked.

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JOHN SLAWSON, Executive Vice Presidents JOCIAN C BAND, C'AARNA, C'AA Memo of Meeting at the White House 9/19/78 Page 2

Squadron asked if there were any indication if Begin knows how the vote will go in the Knesset. Aside from the statement that there would be no party discipline, no one knew the answer. Squadron asked, "What about Hussein?" The answer from Saunders was that Jordan had been woven into the process; that both Sadat and the President had spoken to Hussein from Camp David; that the agreement does not measure up to Hussein's ideal but that it is the first concrete proposal that has been presented to Hussein for consideration and it was important that a strong effort be made to bring him along; that Saudi's support was also needed. Saunders said that he believed it could be done without Jordan but that this was only a fallback position, a poor solution, not to be spoken of publicly.

Teplitz asked about security and he was told the document speaks for itself but that the continued relationship of the US and Israel would obviously be part of the understanding. No formal defense agreement was asked for or offered but there is a commitment to consult on:

- 1. The removal of Israell's airfields from the Sinai and US help in reconstructing them in the negative.
- 2. Security in the Sinai and West Bank during the transition period.
- 3. Financial support and military supply.

Conversations were held between Harold Brown and Ezer Weizmann.

Burt Joseph asked some questions with respect to the self-rule proposal. For example, how to protect against assumption of power by the radicals. There are no answers to this as yet.

The question was asked how were UN forces to be approved for Sharm-el-Sheikh, in view of the automatic majority at the UN. The answer was that since UN forces were already in the area, it would not require a change in policy to extend their authority to the south.

Mondale spoke about the perseverance and hours and hours of personal effort on the part of the President. He spoke of Sadat's personal danger -- as opposed to political danger -in agreeing to a bilateral treat in the event the other Arab states do not go along. He said that the USSR will work to defeat the agreements and that he would not be surprised if the Russians did something dramatic to break them up. He said that the supply of arms to the radical states in the Middle East is the Russians' major lever and that if peace comes to the Middle East the Russians will have lost their influence there. He said that the draft agreements were reviewed 23 times and that final resolution of the problems did not come until 5:30 P.M. Sunday and that two weeks of beautiful weather at Camp David ended that evening with a violent rainstorm and lightning.

Carter described how Jerusalem was left out of the agreements. He said that he had told Begin that the only official American position with respect to Jerusalem dated back to 1967 and was that Jerusalem was part of the West Bank. Begin said that if this statement were Memo of Meeting at the White House 9/19/78 Page 3

put into the papers that he would go home. Carter then told Sadat that although the US position was as stated above that he would like to see in the agreements feference to settlement of the Jerusalem issue at some time in the future. Sadat said that if this were included he would walk out. Carter then went to Begin and said that he might be able to get Sadat to agree to no mention of Jerusalem and Begin said this would be fine. Carter then told Sadat that he thought he could obtain Begin's agreement to leaving all mention of Jerusalem out of the agreements. This was the way it was resolved.

The President told us that he felt so strongly about the need for an agreement that he was fully prepared to be a one-term president if he failed. (it is curious that this remark of Carter's which was made public was interpreted in the JTA as Carter's writing off of the Jewish vote, as if that would have been a deciding factor in 1980. With or without the Jewish vote, in fact, Carter would be a one-term president, in my view, had Camp David been a failure).

Carter demonstrated to us compete familiarity with every aspect of Israel's needs. He was obviously elated but he was neither boastful nor overoptimistic. He felt that there were many hurdles to be jumped. He expressed appreciation for the help that was given by Dyan, Weizmann, and especially Barak, who was referred to several times as the Israeli Brandeis. He also praised Egyptian counterpart.

We expressed our deep appreciation to the President who reciprocated by saying that he knew that we had gone through difficult times with him and that it had been sometimes embarrassing for us but that he appreciated our support. The President left after approximatley 30 minutes and we stayed on to talk with the other members of the White House staff.

A side note: Before the meeting began, Ed Sanders told us that it had been suggested to him (possibly by Bob Lipschutz) that there be a meeting between Carter and about 250 leading Jews at which the President would detail in some form what was said to us later, but that he (Sanders) had vetoed the idea as a mistake. We all agreed that it would be a mistake and was unnecessary for the Jewish community.

MHT Publicity

# Muslims slate 3-day parley

CHICAGO TRIBUNE 3.18-28

A THREE-DAY NATIONAL Conference on Muslim Community Development is scheduled for next Friday through Sunday in Chicago. A spokesman for the Muslim Community Center of Chicago, which is sponsoring the event, said no particular significance should be atlached to the conference being held on the Christian Good Friday through Easter celebration.

Purpose of the gathering is to discuss whether Musms in the United States should make plans and take teps to shape their future lives according to Islamic rinciples. The meeting will attempt to capitalize on te experiences of Muslim minorities throughout the orid and evolve specific solutions applicable to the merican scene. Workshops will deal with such matrs as Islamic education for children and adults and ising funds for community services. Sessions will ben at 9 a minext Friday in Herman Hall at the Illinois stitute of Technology, 32d and State Streets. There are about 70,000 Muslims in the Chicago area d about two million nationwide, Shaikh A.Z. Hamad, chairman of the conference steering committee, id. He said a community dinner for 1,500 people is anned for 7 p.m. Friday in McCormick Place's Chigo Room.

## New investments policy

RUSTEES OF THE American Lutheran Church have opted a new program covering its investments in lited States corporations doing business in South Afa. They encouraged a "nonadversary" approach to porate executives in discussions of their involvents. Géorge S. Schultz, the board's executive secrey, warned against the "simplistic assumption" that churches power as stockholders is going to bring a edy end to South Africa's oppression of blacks. At t, he said, the American Lutheran Church's new gram may be "contributory to long-range change."

## loody to charge tuition

DR THE FIRST TIME in its history, Moody Bible itute will begin charging tuition for its evening ol. Allyn Sloat, director of Moody Evening School, 'there are "mixed emotions" about the change but view of the school's desire to expand its evening ram throughout the nation, tuition will help pay

## Religion

## Jews and evangelicals

JEWS HAVE BEEN adversely affected in their attitude toward evangelicals by a variety of recent developments, according to Rabbi Marc H. Tanenbaum, national director of interreligious affairs of the American Jewish Committee. President Carter's "alternating carrot-and-stick pressures against Israel" should not be considered representative of the attitude of the 50 'million evangelical Christians in the U.S.," millions of whom are among Israel's strongest supporters," he said.

Rabbi Tanenbaum praised Billy Graham's strong statements in support of Israel, advertisements by evengelicals in numerous daily newspapers opposing the Soviet-U.S. accord of last October and favoring stronger support of Israel, recent establishment of an International Organization of Evangelicals Concerned for Israel, and strong statements by Dr. Jimmy Allen, president of the Southern Baptist Convention, favoring religious pluralism, separation of church and state, and human rights for Jews and Christians in the Soviet Union and elsewhere.

## Dates to remember

• An International Seminar on Religion in America, sponsored by De Paul University's departments of educational foundations and religious studies and the Thomas Morus Akademie of Germary, is scheduled for Saturday through next Friday. The week of events begins at 3 p.m. Saturday with an address by the Rev. Ben Richardson of De Paul on "Black Perspectives on Religion in America" in Room 192 in De Paul's Schmitt Academic Center, 2323 N. Seminary Av. Besides listening to lectures, participants who have come from Europe to study religion in the U.S. will visit local religious institutions during the week.

 Churches throughout the Chicago area will celebrate Palm Sunday.

Jack Houston

### JTA Daily News Bulletin

#### SPECIAL TO THE JTA THE VISIT OF POPE JOHN PAUL II By Marc H. Tanenbaum

NEW YORK, Sept. 25 (JTA) -- There is more than a surface symbolism in the fact that Pope John Paul II arrives in the United States on Yom Kippur, the most solemn day in the Jewish year. For on Yom Kippur the Jewish people throughout the world articulate their deepest values and aspirations for the redemption of the Jewish people, of Israel, and of the entire human family.

-4-

family. "And may all wickedness be consumed as a flame," Jews pray on this day, "and may evil rule be removed from the earth." How is evil in the world to be overcome? The Jewish prayer book proposes as an answer, "May all Your (God's) children unite in one fellowship to do Your will with a perfect heart."

Pope John Paul II comes to these shores at a time when the American people, and particularly the Jewish people, feel deeply troubled about "the wickedness and evil rule" in the world. At Camp David on July 10 I joined a group of 10 religious leaders in discussing with President Carter and his top aides "the malaise of America" and "the crisis of confidence."

For Americans, this pervasive anxiety and downbeat mood may well be an accumulated response to the shocks of Vietnam, Watergate, the assassinations of the Kennedys and Martin Luther King -- a gloom now deepened by the economic decline and the Organization of Petroleum Exporting Countries induced oil crisis.

#### The Passion Play Of Andrew Young

For American Jews who, as Dorothy Parker said, are like everybody else but more so, there is the additional emotional burden these days of watching incredulously as elements in our government and some public personalities fall all over themselves to embrace and legitimatize the Palestine Liberation Organization assassins, people who daily murder, bomb and terrorize innocent civilians, men, women and children.

Add to that dispiriting mood the Passion Play of Andrew Young -- the first Black Ambassador to the United Nations who is perceived as martyred, and the fact that some demagogic leaders resort to raw, blatant, racist anti-Semitism trotting out the ancient and discredited canard of collective Jewish guilt -- "the Jews crucified him." And the President of the United States finally tells the truth, namely, that "the Jews" did not crucify Andy Young who foreordained his resignation by his own conscious actions.

Meanwhile, the collective Jewish guilt charge has become established as a dogmatic verity in much of the Black consciousness and will be as difficult to overcome as the original "Christkiller" canard.

Overarching these domestic troubles, Pope John Paul II comes to the United Nations at a time when the entire human family feels in its bones a universal malaise. The insane proliferation of nuclear weaponry finds the United States and the Soviet Union bristling with the capacity to destroy the four billion people of the earth 20 times over. There is now the real possibility of igniting a global Auschwitz. We are, in fact, the first generation to be told that we may be the last.

#### Pope Helped Save Jewish Lives

Against that bleak cosmic background, it is little wonder that there is such widespread expecSeptember 26, 1979

tation associated with the Pope's visit. Pope John Paul II experienced in his personal life the barbarism, the suffering, and dehumanization of Nazi racism and anti-Semitism. He responded to that evil rule by helping to save Jewish lives in Poland during World War II.

He stood courageously against the Polish Communists who destroyed Jewish homes and cemeteries in their orgy of anti-Jewish hatred, and he fought effectively for human rights -- for religious liberty, the right to educate children religiously, the right to emigrate and reunite families.

When I first met Pope John Paul II on March 12 in Vatican City, together with other Jewish leaders I was deeply impressed by his intellectual acuity, his deep spirituality, his sensitive respect for Judaism and the Jewish people, his abhorrence of racial and religious hatred, his grasp of the real world, his respect for the human dignity of all people, above all, his hope. Such a commanding personality has the capacity to call the world to its senses -- to turn away from nuclear disaster and moral anarchy and to turn toward human unity.

#### The Church And The Jewish People

In his first official statement of his personal attitudes on the relation of the Catholic Church to the Jewish people, Pope John Paul II told us: "I believe that both sides (Christians and Jews) must continue their strong efforts to overcome difficulties of the past, so as to fulfill God's commandments of love, and to sustain a truly fruitful and fraternal dialogue that contributes to the good of each of the partners involved and to our better service of humanity."

And the Pope concluded, "As a sign of understanding and fraternal love already achieved (between Christians and Jews), let me express again my cordial welcome and greetings to you all with that word so rich in meaning, taken from the Hebrew language, which we Christians also use in our liturgy: Peace be with you. Shalom, Shalom!"

That message of Shalom +- of peace, of mutual respect, of love, of human solidarity -- uttered by this charismatic Pope in a troubled, even threatened world, could not come at a more opportune time not only for America but for the world at large.

#### COMBATTING ANTI-SEMITIC PROPAGANDA

MEXICO CITY, Sept. 25 (JTA) -- The Central Jewish Committee is acting to counter a flood of anti-Semitic propaganda from abroad contending that the Holocaust never occurred. The Committee, through its anti-defamation body, the Comite de Tribuna Israelita, will soon publish an anthology in Spanish containing documents, photographs and eye-witness accounts by Holocaust survivors of the death camps and ghettos of Nazioccupied Europe.

The project was prompted by the appearance here of several books, edited and published in Spain, which deny that Jews were murdered in Europe during the years 1940-1945. Sergio Nudelstejer, secretary of the Central Jewish Committee, displayed samples of these publications at a recent meeting of anti-defamation leaders. They include a book by a Spanish writer, J. Ecochaca, titled "The Myth of the Six Million," claiming that the Holocaust was a fraud and a pamphlet in the same vein written by Leon De Grelle, a Belgian Rexist leader and former Nazi agent.

TELAVIV (JTA) -- The Habimah National Theater has decided to name its auditorium after the 90-year-old First Lady of the Israeli and Hebrew theater, Hanna Rovina.

## RELIGIOUS NEWS SERVICE -10- TUESDAY, SEPTEMBER 25, 1979

POPE JOHN PAUL II'S VISIT -- A JEWISH PERSPECTIVE

By Marc H. Tanenbaum\*

NEW YORK (RNS) -- There is more than a surface symbolism in the fact of Pope John Paul II's arrival in the United States on Yom Kippur, the Day of Atonement, the most solemn day in the Jewish year. For on Yom Kippur, a day of fasting, repentance, and renewal of hope, the Jewish people throughout the world articulate their deepest values and aspirations for the redemption of the Jewish people, of Israel, and of the entire human family."

"And may all wickedness be consumed as a flame," Jews pray on this day, "and may evil rule be removed from the earth." How is evil in the world to be overcome? The Jewish prayer book proposes as an answer, "May all Your (God's) children unite in one fellowship to to Your will with a perfect heart."

Pope John Paul II comes to these shores at a time when the American people, and particularly the Jewish people, feel deeply troubled about "the wickedness and evil rule" in the world. At Camp David on July 10th I joined a group of ten religious leaders in discussing with President Jimmy Carter and his top aides "the Malaise of America" and "the crisis of confidence." For Americans, this pervasive anxiety and downbeat mood may well be an accumulated response to the shocks of Vietnam, Watergate, the æsassinations of the Kennedys and Martin Luther King -- a gloom now deepened by the economic decline and the OPEC-induced oil crisis.

For American Jews who, as Dorothy Parker said, are like everybody else but more so, there is the additional emotional burden these days of watching incredulously as elements in our Government and some public personalities fall all over themselves to embrace and legitimatize the PLO assassins, people who daily murder, bomb and terrorize innocent civilians, men, women, and children.

Add to that dispiriting mood the Passion Play of Andrew Young -the first black Ambassador to the United Nations who is perceived as martyred, and the fact that some demagogic leaders resort to raw, blatant, racist anti-Semitism trotting out the ancient and discredited canard of collective Jewish guilt -- "the Jews crucified him." And the President of the United States finally tells the truth, namely, that "the Jews" did not crucify Andy Young who foreordained his resignation by his own conscious actions. Meanwhile, the collective Jewish guilt charge has become established as a dogmatic verity in much of the black consciousness and will be as difficult to overcome as the original "Christ killer" canard.

(more)

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\*Rabbi Tanenbaum is national interreligious affairs director of the American Jewish Committee. He met with Pope John Paul II in March 1979 in Vatican City.

### RELIGIOUS NEWS SERVICE

## TUESDAY, SEPTEMBER 25, 1979

Overarching these domestic troubles, Pope John Paul II comes to the United Nations at a time when the entire human family feels in its bones a universal malaise. The insane proliferation of nuclear weaponry finds the United States and the Soviet Union bristling with the capacity to destroy the four billion people of the earth 20 times over. There is now the real possibility of igniting a global Auschwtiz. We are, in fact, the first generation to be told that we may be the last.

The nations of the earth spend more than \$400 billion a year to maintain armies but cannot find the means nor the wisdom nor the compassion to save some 800 million human beings from starvation and hunger. Science and technology, long venerated as unambiguous sources of material blessing, also fill the earth with toxic pollution and nuclear radiation; unguided Skylabs and crashing DC LOS careen dangerously around us. The implements of advanced technology are daily employed by a growing band of military dictatorships to enforce their totalitarian rule through systematic torture and massacre of millions of human beings --Cambodia, Uganda, Vietnam, Ireland, Argentina, the Soviet Union. It is as if the world has gotten out of control.

Against that bleak cosmic background, it is little wonder that there is such widespread expectation associated with the pope's visit. Pope John Paul II experienced in his personal life the barbarism, the suffering, and dehumanization of Nazi racism and anti-Semitism. He responded to that evil rule by helping to save Jewish lives in Poland during World War II. He stood courageously against the Polish Communists who destroyed Jewish homes and cemeteries in their orgy of anti-Jewish hatred, and he fought effectively for human rights -- for religious liberty, the right to educate children religiously, the right to emigrate and reunite families.

When I first met Pope John Paul II on March 12th in Vatican City, together with other Jewish leaders. I was deeply impressed by his intellectual acuity, his deep spirituality, his sensitive respect for Judaism and the Jewish people, his abhorrence of racial and religious hatred, his grasp of the real world, his respect for the human dignity of all people, above all, his hope. Such a commanding personality has the capacity to call the world to its senses -- to turn away from nuclear disaster and moral anarchy and to turn toward human unity. All of us have a stake in that urgent message being heard and acted upon, while there is still time to avert global catastrophe.

In his first official statement of his personal attitudes on the relation of the Catholic Church to the Jewish people, Pope John Paul II told us:

"I believe that both sides (Christians and Jews) must continue their strong efforts to overcome difficulties of the past, so as to fulfill God's commandments of love, and to sustain a truly fruitful and fraternal dialogue that contributes to the good of each of the partners involved and to our better service of humanity."

And the pope concluded, "As a sign of understanding and fraternal love already achieved (between Christians and Jews), let me express again my cordial welcome and greetings to you all with that word so rich in meaning, taken from the Hebrew language, which we Christians also use in our Liturgy: Peace be with you. Shalom, Shalom!"

That message of Shalom -- of peace, of mutual respect, of love, of human solidarity -- uttered by this charismatic pope in a troubled, even threatened world -- could not come at a more opportune time not cnly for America but for the world at large.

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The situation in the Middle East has moved from crisis to crisis. Up to now only superficial "solutions" have been proposed to problems which have become frozen in inflexible rhetoric. A fatal sense of hopelessness has taken root in the minds of many as the dreary cycle of hostilities and suffering has continued.

Fixation on the past and anxiety over the present can block creative thought and action concerning the future of the Middle East. Yet the peace of the world requires that the cause of human dignity and legitimate national aspirations be served in a way that fosters peace and prosperity for the entire region. What follows is proposed as the basis of a settlement that would meet these conditions:

## Elements of a Proposal toward Peace in the Middle East

The situation in the Middle East has been steadily deteriorating.

The region has been torn by three sets of wars:

- . the Arab-Israeli wars
- . the Egyptian-Israeli war of attrition
- . the Jordanian-Palestinian war

The cause of this continuing situation lies in the failure of the international community, the UN, and the nations immediately involved (both Arab and Israeli) creatively and effectively to seek direct solutions of the underlying problems which are its source. The basic problems are three:

- . The dehumanizing condition in which the Palestinian refugees are forced to live.
  - (Their situation has not been aided by sterile arguments over past responsibilities for their continuing plight.)
- . Failure to establish a Palestinian Arab state which would embody the <u>legitimate</u> aspirations of Palestinian Arabs.
- . Failure to provide for the economic development of now unproductive areas of the region.

There is urgent need for a new approach that will make up for these failures and rescue men from the sense of hopelessness their continuance threatens to create.

Major groups within the international community must address themselves seriously and immediately to developing solutions adequate to overcome the obstacles that now stand in the way of peace in the Middle East.

These groups include:

- the nations most immediately involved, principally Israel, Egypt and Jordan;
- . scholars and technicians familiar with the needs and potential of the area;
- the great powers among the nations of the world;
- . the United Nations;
- . private agencies.

## Toward a Political Settlement

In a very real sense, the Palestinian question is the Gordian knot of all the present difficulties. The Arab nations did little to better the condition of the Palestinians during the twenty years that they were in control; the Israelis have accomplished no more during their past five years of control over Gaza. In order to cut the Gordian knot, the Jordanians and Israelis must jointly provide a homeland for the Palestinians. This action would assist mightily in solving the political problems which beset Israeli-Arab and Bedouin-Palestinian relationships.

Settlement of the political question of Palestine goes hand in hand with a solution of the refugee problem. They are overlapping problems.

A Palestinian state would enable the Arab Palestinians to realize their rights as human persons to participate in a society which can provide for their needs and the future of their children. The legitimacy of the aspirations of Palestinians for nationhood has been acknowledged in the past, but no effective means has been provided for its realization.

There must be room in the Middle East for both Israel, a recognized state and secure homeland for Jewish people, and for Palestine, an Arab state.

To provide for a State of Palestine, Israel must be prepared to withdraw from its occupation of the Jordanian areas of the West Bank.

To this area should be joined other territory of Arab Palestine annexed by the Hashemite King Abdullah in 1950.

This combined area would form a territory for the State of Palestine.

The sponsorship of the UN and the cooperation of the major powers is vital to the establishment of the State of Palestine and to the restoration of normal relations with the Arab Palestinians.

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## Toward Economic Development

Political stability requires economic development.

The proposed Palestinian state, Israel, Jordan and Egypt all have a natural economic interdependence which should give rise to cooperative developmental programs.

The economic viability of the Palestinian state requires that it have insured access to seaport facilities through an open corridor. Such access could be made available to it at Haifi if Israel opened the way to a trade route.

A Palestinian land claims agency would have to be established to settle claims between conflicting parties. Such a body should be supplied with funds by Israel, Jordan, and the world community.

The greatest resource available to a Palestinian state is its people. The nations of the world individually as well as through the United Nations, should assist in developing educational, medical and other facilities to serve the needs of the Palestinian people.

A Palestinian volunteer corps, not unlike the Peace Corps, could contribute greatly. Perhaps Palestinians would wish to invite cooperation by an International Youth Corps, working with them toward development.

Economic aid should be forthcoming for the Palestinian state-not only from Israel, Egypt, Jordan and other nations of the Middle East, but also from the U.S.A., the U.S.S.R., Japan and other major powers, as well as from the international community at large.

Technology has opened new possibilities for the development and offers substantial lope for peace. of the area, Nuclear power can be developed to supply fresh water

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through desalinization, generate electricity, produce fertilizers, and meet other basic needs of a balanced agro-industrial society. The region has already been endowed with a favorable climate.

Similarly, in the Sinai, Egypt and Israel could cooperate in the development of an area which is largely uninhabited at present. The TVA may provide a working model for such cooperative development. Settlement could be opened to any one willing to homestead in the area. If immigration could be attracted from both sides of the Sinai, this might help to create a model of Israeli-Arab cooperation for the mutual upbuilding of peace and prosperity in a long-troubled area.

the Einstead Strand & Plantithe development of the region through the hears presently arid plan for and supposeductive lands in the time and in the time and is the two is estant in the Cientonerstranse proposal of 1967, is a creative suggestion which should, at long last, be implemented.

These proposals contain elements essential to achieving security, development and peace in the Middle East. In their present form, they are not a finished formula for settlement. They are, however, earnestly recommended to the parties directly involved, to the major powers, and to the international community, for study, elaboration, and, it is hoped, implementation. The following review by Moshe Davis has been circulated to several persons in the British Council of Churches.

## "The Conflict in the Middle East and Religious Faith"

Published by the British Council of Churches. Price 2/-. pp.33

This is a gravely disturbing document; none the less so because it is not "an official pronouncement of the policy of the churches". The seven distinguished scholars who comprised the **Working** Party served in their personal capacity but their views must obviously serve as a guide to the current direction of church thought.

The study strongly criticises any attempt to "discern the fulfilment of prophecy in the contemporary occupation of part of Palestine (!) by members of the Jewish community" as "unrealistic" and "artificial". Neither are the promises of the Old Testament any more acceptable: "The view that the promises of God are known and irrevocable involves far too simple conception of our knowledge of God." It would be interesting to know how far the same view is applied to the New Testament.

There is great doubt even as to'the identity of the Jew today. "Are the Jews today, in their worldwide dispersion, the exact successors of those in the Bible?" But by contrast: "It is conceivable that some of the present day Arab Palestinians are the descendants of those (Canaanites) who remained."

It is not merely the Biblical link between the Israel of 2,000 years and the Israel of today that is questioned. "Does the increasing secularization of the Jewish people, both in modern Israel and in the world at large, affect its claims to be the spiritual as well as the physical successor to the people of the Bible?"

Even where there is recognition of Jewish rights in Palestine it is described as a "de facto" right and a right contingent upon its treatment of its Arab minority. Happily the verdict here is "Israel could not be said to have forfeited its right to exist by reason of its treatment of the Arab minority"; hardly a very generous assessment.

The ultimate in absurdity is subsequently reached when the question is posed: "But, granted these reasons for considering seriously the claim of the Jews to a land of their own, does it follow that this land must be Palestine" and it goes on "Nor is the question entirely theoretical". We are reminded of East Africa and Biro Bidjan!

One final instruction to the faithful: "Christians of the West are finding that much of their traditional sympathy with Zionist aspirations are based on an interpretation of the Old and New Testament which is now outdated". I find it hard to believe that it is only the fundamentalist Christian who would object to this.

This document should rank priority on the agenda of a meeting between Jewish and Christian leaders. In my opinion it is as much an affront to Christian teaching as it is to Judaism.

The following personal letter has been received from The Revd W.W. Simpson, General Secretary of the Council of Christians and Jews, and a member of the Working Party.

"Dear Moshe,

At last a reply to your comments on the BCC pamphlet. First, as you know, or should know (though the fact is not made as clear as it should be) the pamphlet as it stands is really the work of a single hand; the Chairman's. At one stage it was suggested that the members of the Working Party should be responsible for particular chapters but in the end we decided that this was impracticable and agreed to leave the final version to Anthony Harvey, taking into account various papers and notes contributed by individual members. One of my "contributions" was to draw attention to the so-called Restorationists, which I think perhaps deserve more notice than they have had so far. All this means that while I admit to having contributed to the discussions I do not regard myself as being committed to all the views expressed in this document, which is in any case intended, as you yourself have recognised, as a discussion starter, rather than a question answerer, or problem solver. And here I entirely endorse your penultimate sentence with accepting your final judgment that it is "as much an affront (a strong word that!) to Christian teaching as it is to Judaism". In case you read no further than this... would you join in arranging a meeting of Jewish and Christian leaders to tackle this together. That really would justify our, and its, existence.

I think "gravely disturbing" is perhaps rather strong. It might be rather more disturbing in fact if it-were "an-official pronouncement". As it stands it is simply a "balon d'essai", intended to provoke, rather than stifle discussion.

So far as I personally am concerned I am happiest about the opening sections on the Old Testament - and in perhaps slightly less degree - the New. I believe very strongly that some still current views both about prophecy and promises are "unrealistic" and "artificial" - "arbitrary" is another word that comes to mind - and that there is great need for a serious and far-reaching theological discussion here between Christians and Jews, not as representing opposite view points but as together exploring issues as yet unresolved from either angle. So far as I am concerned, this goes as much for the New as for the Old Testament. I see no difference whatever in the basis for the approach to these two bodies of Scripture. Both, I believe, should be submitted to the same criteria of examination and criticism - and, mutatis mutandis, both have the right to stand their critics against the wall and pronounce judgment on them.

On p.4 two or three points struck me as being relevant to the approach to the whole document. These are:

i) The statement in line 2f that "Christians have come to learn etc" is beginning to be true, but we have a long way to go before it can really be taken "au pied de la lettre".

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ii) In principle, I am sure that the conclusion that "the Muslim must be given a fair hearing" is valid, though equally valid is the claim that the Muslim must give a fair hearing to the Jew-and to the. Christian. And we are a long way from the Muslim acceptance of that claim. Where, and how, do we begin?

iii) The uneasy conscience on the part of many Christians is certainly evident - as are also the divided opinions among them, for substantial evidence of which you need look no further than this pamphlet.

iv) Perhaps the most positive and constructive sentence in the pamphlet is the one beginning "By being forced etc..." 1.12 concluding paragraph. Why not hasten on to this?

The problems centred upon what is referred to as "the increasing secularization of the Jewish people" are by no means peculiar to the Jewish people. They apply no less, perhaps much more, to the Christian world. I am always trying to get over to my Christian friends that Israel (whether conceived as the people as a whole or as the State) is a kind of divinely ordained mirror in which, had we but the courage and the honesty we (Christians) might discover some quite shattering things about ourselves. Else what is Israel about and where is the light to lighten the Gentiles? And incidentally I do not accept the normally pejorative interpretation of the term "secularisation" in relation to Israel. I believe very strongly that in some of the professedly "anti-religicus" movements in Israel (the State) there are discernible trends of a deeply religious significance.

Your comment on p.19, the description of the recognition of Jewish rights as "de facto" (I thought UN recognition gave a "de jure" status) and your assessment of the verdict on Israel's treatment of the Arab minority as "hardly very generous" I entirely endorse. It hardly behoves anyone in this country to designate Israel's democracy as theoretical unless we acknowledge that our own is no different and that in times of war many kinds of democratic freedoms are are either abandoned or curtailed.

Page 21, and the question at the opening of the main paragraph understandably produced a fairly violent reaction on your part. But is it really "the ultimate absurdity". To many non-Jews it is a real question, however mistaken we may feel to be their grounds for asking it! Moreover an attempt is made in what follows to put the question itself into the perspective of a relevant frame of discussion which takes into account not only the practical considerations which led to the State being established where it is, but also the "powerful religious and psychological reasons which made the choice of Palestine inevitable". This, surely, is very far from being ultimately absurd.

Finally, your penultimate paragraph on the "final instruction to the faithful". I do not myself object to the words you quote. I believe that there are many spirations of Christians no less than Jews, and not merely in relation to Zionism or a Jewish State, which are based upon outdated interpretations of Holy Scripture. Whether of the Old or the New Testament. And I believe that there is today a tremendous need as well as opportunity for study of these issues - certainly separately, but, as I prefer to hope, increasingly together.

Can we do something about this? There is a real programme here of . vitally important work for your department as well as mine. We shall need to do a good deal of homework before it is ready for launching and it must be beamed at the younger generation."

The Revd W.W. Simpson

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