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REPORT OF SPECIAL STUDY
MISSION TO THE NEAR EAST

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JANUARY 15 TO 29, 1970

BY

Hon. PETER H. B. FRELINGHUYSEN, N.J., *Chairman*

Hon. EDWARD J. DERWINSKI, Illinois

Hon. SHERMAN P. LLOYD, Utah

PURSUANT TO

H. Res. 143

AUTHORIZING THE COMMITTEE ON FOREIGN AFFAIRS
TO CONDUCT THOROUGH STUDIES AND INVESTIGA-
TIONS OF ALL MATTERS COMING WITHIN THE JURIS-
DICTION OF THE COMMITTEE



APRIL 29, 1970

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REPORT OF SPECIAL STUDY
MISSION TO THE NEAL EAST

REPORT BY

DR. J. M. BROWN, JR.

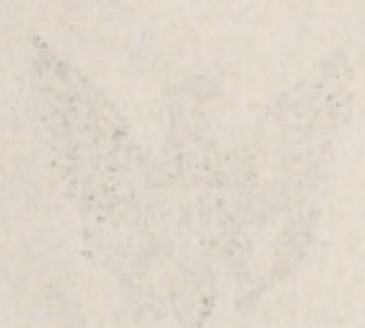
DR. R. L. JONES, JR.

DR. J. M. BROWN, JR.

REPORT TO

H. E. J. JR.

ATTORNEY GENERAL
REPORT THROUGH STUDIES AND INVESTIGATION
ON ALL MATTERS CONCERNING THE JAMES
ON THE ACTION OF THE COMMITTEE



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FOREWORD

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C., April 29, 1970.

This report has been submitted to the Committee on Foreign Affairs by a special study mission to the Near East which visited the area between January 15 and 29, 1970.

The findings in this report are those of the special study mission and do not necessarily reflect the views of the membership of the full Committee on Foreign Affairs.

THOMAS E. MORGAN, *Chairman.*

(III)

LETTER OF TRANSMITTAL

APRIL 29, 1970.

Hon. THOMAS E. MORGAN,
Chairman, Committee on Foreign Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We submit this report on our visit to the Near East, from January 15 to 29, 1970. During our visit we met with American representatives and with several high-ranking officials of the Governments of Israel, U.A.R., Lebanon, Jordan, and Greece. We also met with businessmen and representatives of the academic community. We appreciate your cooperation in assigning Mr. Melvin O. Benson, staff consultant to the Committee on Foreign Affairs, to accompany us on this special mission.

Sincerely yours,

PETER H. B. FRELINGHUYSEN,
EDWARD J. DERWINSKI,
SHERMAN P. LLOYD,
Members of Congress.

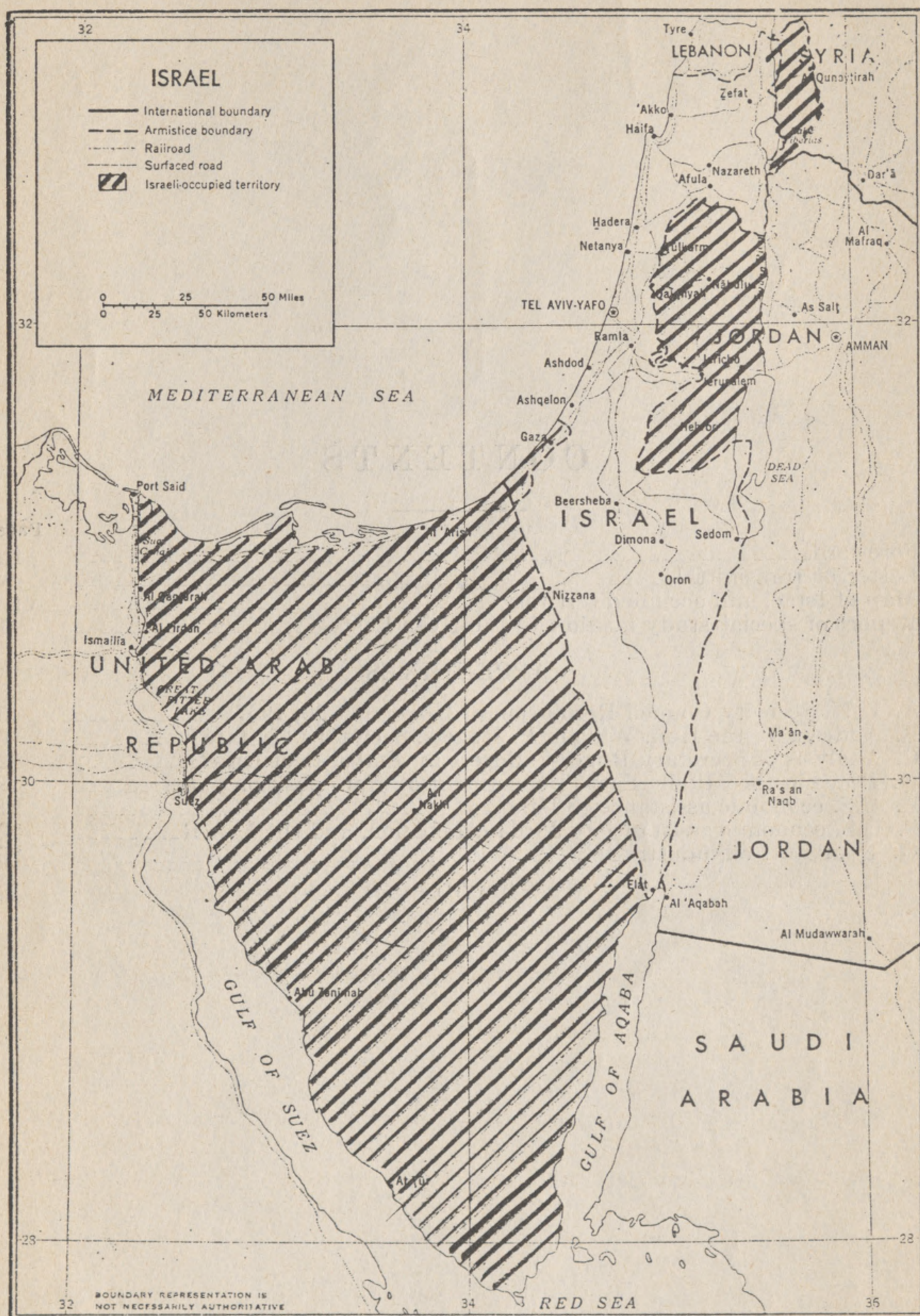
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REPORT OF SPECIAL STUDY MISSION TO NEAR EAST

From January 15 to January 29, 1970, a special study mission, composed of Hon. Peter H. B. Frelinghuysen, New Jersey, chairman; Hon. Edward J. Derwinski, Illinois; and Hon. Sherman P. Lloyd, Utah, visited the Near East. The members met and exchanged views with many government leaders and officials, as well as representatives of the business and academic communities.

Officials interviewed in the United Arab Republic included the Foreign Minister, Mahmoud Riad; President Nasser's Adviser on Foreign Affairs, Dr. Mahmoud Fawzi; and the Under Secretary, Ministry of Foreign Affairs, Salah Gohar. In Jordan, the study mission met with King Hussein and Acting Prime Minister Abd al-Mun'im Rifa'i. Among several officials in Lebanon were President Helou, Prime Minister Karami, and Foreign Minister Majdalani, as well as the Speaker of Parliament, Sarbi Hamade, and several cabinet ministers. In Israel, the Prime Minister, Golda Meir, and Foreign Minister Abba Eban, along with Brigadier Shlomo Gazit (Defense Minister Dayan's Assistant for Occupied Territories) and Foreign Ministry Assistant Director General Moshe Bitan were among those with whom the study mission exchanged views. We also had opportunities to talk with officials of the American University in Cairo and also of the American University in Beirut. We were impressed with the briefings we received from our Ambassadors and Embassy personnel.

En route from Beirut to Tel Aviv we stopped at Athens, passing through "neutral territory" so to speak, in order to get from Arab territory to Israel. While there we met with our new Ambassador, Henry Tasca, and other Embassy personnel. We were also briefed on the military situation in the Mediterranean. Although the political situation in Greece remains a delicate subject, we were reminded of the geographic importance of Greece, and the value to our 6th Fleet of its port facilities.

It was an opportune time to be in the Near East. The situation there is extremely fluid, with dramatic events occurring even in the few weeks since we returned. As the result of our visit the members of the study mission are totally convinced that the situation is serious, and that the problems facing the area are unlikely to be resolved in the near future. Without any doubt this area could see, at almost any time, another outbreak of major hostilities, with the possibility that the United States and the U.S.S.R. might even be drawn in.

We are convinced that the United States should continue its efforts to involve the parties directly concerned in the process of negotiation. To begin this process will undoubtedly be difficult as the suspicions

on all sides are real, the differences are deep, and there is evident and widespread lack of confidence in the good faith and intentions of the various adversaries.

Cairo was the first stop. It is a huge and busy city, with a population of some 4.5 million. The population of Egypt is around 32 million with an annual rate of increase close to 3 percent—one of the world's highest. At the time we were there, the city was not obviously on a full war footing. There were armed guards and militia at the airport. Some automobiles had headlights which had been painted blue, and candles were provided in the hotel rooms in case of a blackout. At all bridges, guards were posted, there was some sandbagging near major crossings of the Nile, and also at the Cairo Museum. Exhibits in the museum itself had protective tape across the glass cases. During a trip to the pyramids we were able to hear quite plainly what was described in the newspaper the next day as an Israeli attack on an ammunition depot across the Nile River.

The Egyptians with whom we spoke were without exception courteous and responsive; during our formal interviews it was possible to have a fairly detailed exchange of views. Although the Egyptian Government seems unlikely to consider an early resumption of diplomatic relations with the United States because of the unresolved problem of Israel, there seemed genuine desire on the part of the Egyptians to state their case frankly and to listen to our views.

In this connection we found real interest in the statement regarding a Middle East settlement made by Secretary of State Rogers some 5 weeks earlier, in December 1969. In all the Arab countries—and obviously also in Israel—these suggestions were under close scrutiny, though in Egypt especially the bona fides of the United States in formulating these proposals was not automatically accepted. It was stressed on several occasions, however, that Secretary Rogers' suggested guidelines for a durable peace had not been rejected.

As an aside, the members of the study mission would like to call attention to the fact that there is in Cairo only a skeleton staff of some 15 Americans, operating under the Spanish Embassy. The officer in charge of the U.S. interests in Egypt, Mr. Donald Bergus, is especially to be commended for seeing to it that Washington is kept currently informed of developments of essential interest.

Discussions in Lebanon and Jordan gave us a different perspective of the Near East problem. In both countries there is strong sentiment to move toward settlement, but in neither country was there optimism that major change was imminent. Along with Egypt, they are insistent on the withdrawal of Israel from occupied territories as a first step. The future of Jerusalem will also unquestionably be a difficult problem to resolve should discussions begin. Both Lebanon and Jordan recognize that the basic decisions will be made in Cairo and Tel Aviv, not in their capitals.

In both countries we saw, though necessarily briefly, refugee camps. There are reportedly nearly 500,000 refugees on the east bank of the Jordan River, living in an area which cannot even support the indigenous population. The Israeli-occupied west bank had produced some 30 to 40 percent of Jordan's agricultural output and had about 47 percent of her population. In Lebanon there are estimated to be some 170,000 Palestinian refugees. Living conditions for these refugees

must be difficult, and in some cases appalling, and it is understandable why it is easy to recruit guerrillas from these camps.

The guerrilla movement needs special mention. Although at present these forces are relatively small and not of a character to be a major military threat, they do have a real impact. The best known guerrilla, or fedayeen, organization is the Palestine Movement of National Liberation (Fatah), with headquarters in Beirut. The hostility of the guerrillas to the Israelis who occupy Arab territory, and indeed to the idea of an independent Israel, is such that they constitute a force which must be reckoned with. Indeed, their existence makes it far more difficult to envisage an eventual settlement.

Both in Jordan and Lebanon these fedayeen constitute an increasingly active political force, of obvious concern to those interested in the stability of the governments there. The activities of these guerrillas inevitably provoke—indeed, are probably intended to provoke—retaliation by Israel, yet if the government attempts to suppress these terrorist activities, the result could be civil turmoil and quite possibly, civil war.

Israel, as we expected, was a highlight of our trip. Here too we were warmly received, with opportunities to talk to members of the Knesset and with military men, as well as with Prime Minister Golda Meir and Foreign Minister Abba Eban. Although time did not permit talks with “the man in the street,” we were all impressed with the unmistakable vitality of the people, their vigor, and industry. It was evident that this was a country at war, fighting for its existence. Young men and women in uniform were everywhere, many waiting as hitchhikers along the road for a lift to or from their posts.

The Israeli leaders expressed their regret that the United States should be pursuing such an active role in suggesting a basis for settlement of Israel's conflict with her Arab neighbors. The general impression was that while Israel appreciated our good intentions she felt that the United States should avoid negotiating for Israel. Israel seems to feel that we may tie her hands in future negotiations by a detailed spelling out of our own views. Although the Arabs contend that the United States is responsible for Israel's policy, our visit there made us aware of the fact that Israel is thoroughly independent of us in pursuit of her objectives. Israel does not wholly trust any of the Big Four powers, certainly not the U.S.S.R. and France, and none of them can speak for her.

The role of the Soviet Union in the Middle East is an important one, and unfortunately not constructive. The buildup of Soviet power in the Mediterranean for the past 15 years has been significant, and cannot help but be a cause of concern. Even more serious is the Soviet role in providing arms to the Arab States, especially to Egypt, Syria, and Iraq. The Soviet Union has contributed so substantially to Egypt that her losses in the war of June 1967 have been made up. Even more serious is the recent introduction of SA-3 missiles into Egypt, a development which became known publicly only since our return. Should these missiles be manned, as is now reported, by the Soviets, and should the sites be attacked by Israel, the present situation could become even more serious. It is to be hoped that the Soviet leadership can be persuaded regarding the substantial risks in their present course.

Israel's leaders appear to accept the necessity for applying military pressure on Egypt, primarily as a way of keeping her off balance militarily and thus reducing the effectiveness of Egypt's promise of a war of attrition against Israel. Military strength, Israel feels, is the key to her survival. It was also made plain that Israel hopes that the continuation of military pressure will have a decisive impact on the Egyptian Government, forcing Egypt either to change her course or to oust Nasser.

Our trip made plain the danger of the stalemate in the Near East, a stalemate which not only continues but which seems to be deepening. The outcome could be catastrophic. The Arabs, though outnumbering Israel 20 to 1, are obviously unable to retaliate militarily; they see no alternative, at least while Israel occupies substantial Arab territory, to continuing a war of attrition. The Israelis likewise see no opportunity now for meaningful moves toward a peace settlement. The Arab territory which Israel now occupies provides some insurance for her security, and she is obviously busy consolidating her positions there. With her relatively small population and her exposed geographical position, Israel's main reliance is on her military strength in keeping pressure on her neighbors.

Whether this stalemate will be broken, and in what way, only the future can tell. The potential for another major conflict is unquestionably there. So far at least, we regret to say there seems no sense of urgency which could impel the parties to an early and peaceful settlement. In our opinion the United States—and hopefully others as well—must continue to do everything possible to encourage the parties to the conflict to reappraise the situation, and to begin the difficult but essential process of removing the roadblocks to a just and lasting peace. It is our hope also that every effort will continue to be made, pending negotiations regarding a settlement, by all parties who have expressed concern over the crises to work toward restrictions of military activity, and hopefully a cease fire.

APPENDIX A

U.N. SECURITY COUNCIL RESOLUTION OF NOVEMBER 22, 1967

The text of the British-sponsored resolution, which created the Jarring peace mission, was adopted unanimously on November 22, 1967, in the Security Council and is as follows:

The Security Council,

Expressing its continuing concern with the grave situation in the Middle East,

Emphasizing the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every State in the area can live in security,

Emphasizing further that all Member States in their acceptance of the Charter of the United Nations have undertaken a commitment to act in accordance with Article 2 of the Charter.

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 Israel armed forces from territories occupied in the recent conflict;

(ii) Termination of all claims or states of belligerency and respect for and acknowledgment 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;

3. *Requests* the Secretary-General to designate a Special Representative to proceed to the Middle East to establish and maintain contacts with the States concerned in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement in accordance with the provisions and principles in this resolution;

4. *Requests* the Secretary-General to report to the Security Council on the progress of the efforts of the Special Representative as soon as possible.

Ambassador Jarring has to date been unable to bring about any really significant breakthrough. The earlier period of his efforts at bringing about negotiations between Arabs and Israelis was spent shuttling back and forth between the various capitals. Later, during the meetings of the General Assembly, he continued his efforts in New York, meeting with the various foreign ministers. Although the resolution does not have any termination date, Ambassador Jarring had intended to conclude his efforts in November 1968.

The United States still puts its reliance on the peace mission of the United Nations special envoy, Gunnar Jarring, as the most hopeful vehicle for obtaining a settlement of the Arab-Israeli conflict as further clarified in the address by the Honorable William P. Rogers, Secretary of State on December 9, 1969, which is included as Appendix B.

APPENDIX B

ADDRESS BY HON. WILLIAM P. ROGERS, SECRETARY OF STATE, BEFORE
THE 1969 GALAXY CONFERENCE ON ADULT EDUCATION, SHERATON
PARK HOTEL, WASHINGTON, D.C., TUESDAY, DECEMBER 9, 1969

Dr. and Mrs. Charters, members of the Central Planning Committee, and ladies and gentlemen of the 1969 Galaxy Conference on Adult Education.

I am very happy to be with you this evening and be a part of this impressive conference.

The Galaxy Conference represents one of the largest and most significant efforts in the Nation's history to further the goals of all phases of adult and continuing education.

The State Department, as you know, has an active interest in this subject. It is our belief that foreign policy issues should be more broadly understood and considered. As you know we are making a good many efforts toward providing continuing education in the foreign affairs field. I am happy tonight to join so many staunch allies in those endeavors.

In the hope that I may further that cause I want to talk to you tonight about a foreign policy matter which is of great concern to our Nation.

I.

I am going to speak tonight about the situation in the Middle East. I want to refer to the policy of the United States as it relates to that situation in the hope that there may be a better understanding of that policy and the reasons for it.

Following the third Arab-Israeli war in 20 years, there was an upsurge of hope that a lasting peace could be achieved. That hope has unfortunately not been realized. There is no area of the world today that is more important because it could easily again be the source of another serious conflagration.

When this administration took office, one of our first actions in foreign affairs was to examine carefully the entire situation in the Middle East. It was obvious that a continuation of the unresolved conflict there would be extremely dangerous; that the parties to the conflict alone would not be able to overcome their legacy of suspicion to achieve a political settlement; and that international efforts to help needed support.

The United States decided it had a responsibility to play a direct role in seeking a solution.

Thus, we accepted a suggestion put forward both by the French Government and the Secretary General of the United Nations. We agreed that the major powers—the United States, the Soviet Union, the United Kingdom, and France—should cooperate to assist the Secretary General's representative, Ambassador Jarring, in working out a settlement in accordance with the resolution of the Security Council of

the United Nations of November 1967. We also decided to consult directly with the Soviet Union, hoping to achieve as wide an area of agreement as possible between us.

These decisions were made in full recognition of the following important factors.

First, we knew that nations not directly involved could not make a durable peace for the peoples and governments involved. Peace rests with the parties to the conflict. The efforts of major powers can help; they can provide a catalyst; they can stimulate the parties to talk; they can encourage; they can help define a realistic framework for agreement; but an agreement among other powers cannot be a substitute for agreement among the parties themselves.

Second, we knew that a durable peace must meet the legitimate concerns of both sides.

Third, we were clear that the only framework for a negotiated settlement was one in accordance with the entire text of the U.N. Security Council resolution. That resolution was agreed upon after long and arduous negotiations; it is carefully balanced; it provides the basis for a just and lasting peace—a final settlement—not merely an interlude between wars.

Fourth, we believed that a protracted period of no war, no peace, recurrent violence, and spreading chaos would serve the interests of no nation, in or out of the Middle East.

III.

For 8 months we have pursued these consultations, in Four Power talks at the United Nations, and in bilateral discussions with the Soviet Union.

In our talks with the Soviets, we have proceeded in the belief that the stakes are so high that we have a responsibility to determine whether we can achieve parallel views which would encourage the parties to work out a stable and equitable solution. We are under no illusions; we are fully conscious of past difficulties and present realities. Our talks with the Soviets have brought a measure of understanding but very substantial differences remain. We regret that the Soviets have delayed in responding to new formulations submitted to them on October 28. However, we will continue to discuss these problems with the Soviet Union as long as there is any realistic hope that such discussions might further the cause of peace.

The substance of the talks that we have had with the Soviet Union have been conveyed to the interested parties through diplomatic channels. This process has served to highlight the main roadblocks to the initiation of useful negotiations among the parties.

On the other hand, the Arab leaders fear that Israel is not in fact prepared to withdraw from Arab territory occupied in the 1967 war.

On the other hand, Israeli leaders fear that the Arab States are not in fact prepared to live in peace with Israel.

Each side can cite from its viewpoint considerable evidence to support its fears. Each side has permitted its attention to be focused solidly and to some extent solely on these fears.

What can the United States do to help to overcome these roadblocks?

Our policy is and will continue to be a balanced one.

We have friendly ties with both Arabs and Israelis. To call for Israeli withdrawal as envisaged in the U.N. resolution without achieving agreement on peace would be partisan toward the Arabs. To call on the Arabs to accept peace without Israeli withdrawal would be partisan toward Israel. Therefore, our policy is to encourage the Arabs to accept a permanent peace based on a binding agreement and to urge the Israelis to withdraw from occupied territory when their territorial integrity is assured as envisaged by the Security Council resolution.

IV.

In an effort to broaden the scope of discussion we have recently resumed Four Power negotiations at the United Nations.

Let me outline our policy on various elements of the Security Council resolution. The basic and related issues might be described as peace, security, withdrawal, and territory.

PEACE BETWEEN THE PARTIES

The resolution of the Security Council makes clear that the goal is the establishment of a state of peace between the parties instead of the state of belligerency which has characterized relations for over 20 years. We believe the conditions and obligations of peace must be defined in specific terms. For example, navigation rights in the Suez Canal and in the Straits of Tiran should be spelled out. Respect for sovereignty and obligations of the parties to each other must be made specific.

But peace, of course, involves much more than this. It is also a matter of the attitudes and intentions of the parties. Are they ready to coexist with one another? Can a live-and-let-live attitude replace suspicion, mistrust, and hate? A peace agreement between the parties must be based on clear and stated intentions and a willingness to bring about basic changes in the attitudes and conditions which are characteristic of the Middle East today.

SECURITY

A lasting peace must be sustained by a sense of security on both sides. To this end, as envisaged in the Security Council resolution, there should be demilitarized zones and related security arrangements more reliable than those which existed in the area in the past. The parties themselves, with Ambassador Jarring's help, are in the best position to work out the nature and the details of such security arrangements. It is, after all, their interests which are at stake and their territory which is involved. They must live with the results.

WITHDRAWAL AND TERRITORY

The Security Council resolution endorses the principle of the non-acquisition of territory by war and calls for withdrawal of Israeli armed forces from territories occupied in the 1967 war. We support this part of the resolution, including withdrawal, just as we do its other elements.

The boundaries from which the 1967 war began were established in the 1949 armistice agreements and have defined the areas of national

jurisdiction in the Middle East for 20 years. Those boundaries were armistice lines, not final political borders. The rights, claims, and positions of the parties in an ultimate peaceful settlement were reserved by the armistice agreement.

The Security Council resolution neither endorses nor precludes these armistice lines as the definitive political boundaries. However, it calls for withdrawal from occupied territories, the nonacquisition of territory by war, and for the establishment of secure and recognized boundaries.

We believe, that while recognized political boundaries must be established, and agreed upon by the parties, any changes in the pre-existing lines should not reflect the weight of conquest and should be confined to insubstantial alterations required for mutual security. We do not support expansionism. We believe troops must be withdrawn as the resolution provides. We support Israel's security and the security of the Arab States as well. We are for a lasting peace, that requires security for both.

V.

By emphasizing the key issues of peace, security, withdrawal, and territory, I do not want to leave the impression that other issues are not equally important. Two in particular deserve special mention—questions of refugees and of Jerusalem.

There can be no lasting peace without a just settlement of the problem of those Palestinians whom the wars of 1948 and 1967 have made homeless. This human dimension of the Arab-Israeli conflict has been of special concern to the United States for over 20 years. During this period, the United States has contributed about \$500 million for the support and education of the Palestine refugees. We are prepared to contribute generously along with others to solve this problem. We believe its just settlement must take into account the desires and aspirations of the refugees, and the legitimate concerns of the governments in the area.

The problem posed by the refugees will become increasingly serious if their future is not resolved. There is a new consciousness among the young Palestinians who have grown up since 1948, which needs to be channeled away from bitterness and frustration toward hope and justice.

The question of the future status of Jerusalem, because it touches deep emotional, historical, and religious well springs, is particularly complicated. We have made clear repeatedly in the past 2½ years that we cannot accept unilateral actions by any party, to decide the final status of the city. We believe its status can be determined only through the agreement of the parties concerned, which in practical terms, means primarily the Governments of Israel and Jordan, taking into account the interests of other countries in the area and the international community. We do, however, support certain principles, which we believe would provide an equitable framework for a Jerusalem settlement.

Specifically, we believe Jerusalem should be a unified city within which there would no longer be restrictions on the movement of persons and goods. There should be open access to the unified city for persons of all faiths and nationalities. Arrangements for the administration of the unified city should take into account the in-

terests of all its inhabitants and of the Jewish, Islamic, and Christian communities. And there should be roles for both Israel and Jordan in the civic, economic, and religious life of the city.

It is our hope that agreement on the key issues of peace, security, withdrawal, and territory will create a climate in which these questions of refugees and of Jerusalem, as well as other aspects of the conflict, can be resolved as part of the overall settlement.

VI.

During the first weeks of the current United Nations General Assembly, the efforts to move matters toward a settlement entered a particularly intensive phase. Those efforts continue today.

I have already referred to our talks with the Soviet Union. In connection with those talks, there have been allegations that we have been seeking to divide the Arab States, by urging the UAR to make a separate peace. These allegations are false. It is a fact, that we, and the Soviets, have been concentrating on the questions of a settlement between Israel and the United Arab Republic. We have been doing this in the full understanding on both our parts that, before there can be a settlement of the Arab-Israeli conflict, there must be agreement between the parties on other aspects of the settlement—not only those related to the United Arab Republic, but also those related to Jordan and other states, which accept the Security Council resolution of November 1967.

We started with the Israeli-United Arab Republic aspect because of its inherent importance for future stability in the area, and because one must start somewhere.

We are also ready to pursue the Jordanian aspect of a settlement—in fact the Four Powers in New York have begun such discussions. Let me make it perfectly clear that the U.S. position is, that implementation of the overall settlement would begin only after complete agreement had been reached on related aspects of the problem.

In our recent meetings with the Soviets, we have discussed some new formulas in an attempt to find common positions. They consist of three principal elements:

First, there should be a binding commitment by Israel and the United Arab Republic to peace with each other, with all the specific obligations of peace spelled out, including the obligation to prevent hostile acts originating from their respective territories.

Second, the detailed provisions of peace relating to security safeguards on the ground should be worked out between the parties, under Ambassador Jarring's auspices, utilizing the procedures followed in negotiating the Armistice Agreements under Ralph Bunche in 1949 at Rhodes. This formula has been previously used with success in negotiations between the parties on Middle Eastern problems. A principal objective of the Four Power talks, we believe, should be to help Ambassador Jarring engage the parties in a negotiating process under the Rhodes formula.

So far as a settlement between Israel and the United Arab Republic goes, these safeguards relate primarily to the area of Sharm al-Shaykh, controlling access to the Gulf of Aqaba, the need for demilitarized zones as foreseen in the Security Council resolution, and final arrangements in the Gaza Strip.

Third, in the context of peace and agreement on specific security safeguards, withdrawal of Israeli forces from Egyptian territory would be required.

Such an approach directly addresses the principal national concerns of both Israel and the U.A.R. It would require the U.A.R. to agree to a binding and specific commitment to peace. It would require withdrawal of Israeli Armed Forces from U.A.R. territory to the international border between Israel and Egypt, which has been in existence for over a half century. It would also require the parties themselves to negotiate the practical security arrangements to safeguard the peace.

We believe that this approach is balanced and fair.

We remain interested in good relations with all states in the area. Whenever and wherever Arab States which have broken off diplomatic relations with the United States are prepared to restore them, we shall respond in the same spirit.

Meanwhile, we will not be deterred from continuing to pursue the paths of patient diplomacy in our search for peace in the Middle East. We will not shrink from advocating necessary compromises, even though they may and probably will be unpalatable to both sides. We remain prepared to work with others—in the area and throughout the world—so long as they sincerely seek the end we seek: a just and lasting peace.

APPENDIX C

AN ANALYSIS OF THE U.S. MIDEAST PEACE PLAN

EMBASSY OF ISRAEL,
Washington, D.C., December 24, 1969.

1. The press this week published reports of a set of U.S. formulations submitted December 18 to the Four Power conference, dealing with an Israeli-Jordanian settlement. This follows the new formulations submitted by the United States on October 28 to the U.S.S.R., Egypt, and certain other governments, detailing a proposed Israeli-Egyptian settlement. Both documents have only recently been brought to the attention of the Israel Government.

THE NEGOTIATION PRINCIPLE

2. An analysis of their content shows them to be specific, detailed, and comprehensive, covering every substantive aspect of a settlement. Left to the parties to hammer out between themselves in a so-called Rhodes-type negotiation under Ambassador Jarring are peripheral and technical questions. This is an abrupt reversal of the principle that U.S. policy has hitherto proclaimed; namely, the need for the parties themselves to negotiate their differences so as to guarantee a true and lasting peace.

3. This tenet was repeatedly and publicly acknowledged as essential for peace. It was emphasized by President Johnson in an address on June 19, 1967: "Clearly," he said, "the parties to the conflict must be the parties to the peace . . . It is hard to see how it is possible for nations to live together in peace if they cannot learn to reason together." President Nixon endorsed this view in his address to the U.N. General Assembly on September 18 when he said: "A peace to be lasting must leave no seeds of a future war. It must rest on a settlement which both sides have a vested interest in maintaining . . . We are equally convinced that peace cannot be achieved on the basis of anything less than a binding, irrevocable commitment by the parties to live together in peace." Secretary Rogers gave voice to the principle in his statement to the Senate Committee on Foreign Relations, March 27, 1969, declaring: "His (Jarring's) mission is to promote agreement—and this can only mean agreement between the parties.

U.S. policy as unfolding now comes close to the advocacy and development of an imposed settlement. While this may not be deliberate, the mechanics and dynamics are moving in that direction.

THE ACID TEST OF NEGOTIATION

4. Israel will resist this. It remains adamant in the view that a lasting peace is feasible only if the Arab governments show a readiness to

negotiate their differences with Israel and agree to open a new era of true reconciliation. Conversely, so long as Arab representatives persist in avoiding any and every contact with representatives of Israel, they demonstrate thereby, their intention not to resolve the dispute but to perpetuate it for renewed assault upon the life and limb of the Israeli people. There can be no two ways about this. If there is to be peace there has to be reconciliation. If there is to be reconciliation there has to be negotiation. There is no instance in history of a resolution of a dispute between states except by the normal, universal, international practice of sitting down and hammering out the differences.

Do the Arabs wish to make peace or not? After 21 years of Arab animosity and the violation of every accepted rule of international conduct, Israel is entitled to ask its neighbors to submit to this elementary acid test of their true intentions before it commits itself to any change in the present status quo. There is no mere technicality, nor is it just a matter of procedure. Everything that has happened over the past 21 years affirms the legitimacy of this one precondition Israel makes. It is upheld by the disastrous lessons of 1957. The Arabs then were not required to negotiate and enter into a direct peace commitment with Israel. A political settlement, conceived by the United States, was imposed upon Israel. That settlement did not eradicate the roots of the Israel-Arab conflict. It left them intact for the war of 1967.

THE IMPLICATIONS OF DETAILING A SETTLEMENT

5. By addressing themselves in detail to matters of substance, the U.S. proposals do more than to undermine the principle of negotiation; they preempt its very prospect. For there can be little meaningful left for the parties to negotiate once outside powers virtually decide on each and every item for solution. Certainly, the Arabs are not going to give an inch on anything that has already been decided upon in their favor by the powers.

Above all, by preordaining what amounts to a total Israeli withdrawal, the United States squanders away the one major card Israel possesses (the occupied territories) that might conceivably bring the Arabs to the negotiating table to talk peace. Israel will not again surrender this crucial bargaining factor as it did in 1957 to its own peril in 1967.

ANALYSIS OF FORMULATIONS

6. An analysis of the actual U.S. formulations as given in the press shows how inimical they are to vital interests of Israel unwittingly though this be.

WITHDRAWAL

The New York Times, December 22, states that with respect to an Israeli-Jordanian settlement the American plan lays down:

The parties would determine procedures and a timetable with the use of a map, for the withdrawal of Israeli troops from substantially all of Jordan's west bank, occupied in the June, 1967 war.

A similar demand is made of Israel in the October 28 U.S. proposals with respect to the old frontier with Egypt.

Israel is adamantly opposed to this approach, not because it covets Arab territory which it does not, but because the U.S. plan ignores fundamental security realities.

Israel's view on the border question is governed by the single yardstick of security. Israel seeks secure geographic boundaries, not territorial aggrandizement. Three times the Arabs have physically assaulted the old boundaries in their attempt to destroy Israel. The former armistice lines that twisted and turned in total geographic irrationality were of themselves a temptation for aggression. They demonstrated Israel's acute vulnerability, with every major population center exposed to the range of Arab guns and to lightning air strike. Israel would have been content with the old frontiers had they not been rendered inviable by the Arabs' own actions. What Israel asks and is resolved to obtain is a reasonable margin of security that it has not had so far. It insists upon essential corrections of the old defunct armistice lines and their replacement by secure and recognized boundaries. Security must, in the first instance, rest on geography. It can never be a function merely of arrangements. The Middle East is the graveyard of every conceivable kind of international security arrangement from the tripartite guarantee of 1950 (by the United States, Britain, and France which failed to prevent the war of 1956 and was discarded in May of 1967) through the impotent international security guarantees of 1957 (which collapsed overnight when Nasser, 10 years after, declared himself ready for war). The proposal mooted now to make the U.S.S.R. party to guarantees can hardly be expected to be conducive to the peace of the area and certainly not to the security of Israel.

REFUGEES

5. On the refugee question, the U.S. document of December 18 is, in a sense, the most disturbing. The New York Times reports:

Under the American guidelines, Arab refugees from the 1948 Palestine war would be given the choice of repatriation to Israel or resettlement in Arab countries with compensation from Israel. It would be up to Israeli and Jordanian negotiators to agree on the number of refugees to be permitted repatriation annually, but the American paper specifies that the first refugees should arrive in Israel no more than three months after conclusion of a negotiated settlement.

Taken together with the demand for Israeli withdrawal, the above proposal, if acted upon, would initiate the realization of President Nasser's doctrine of "Land and People." This doctrine is the core of what has been termed the two-phase strategy for Israel's elimination. Phase 1 is to compel an Israel retreat back to the June 4, 1967, armistice lines and thereby retrieve the strategic bridgeheads pointing to the heart of Israel ("Land"). Phase 2 is the systematic introduction into Israel of the Arab refugees, thus dismembering Israel from within by injecting into its bloodstream a hostile element of maximum size ("People"). These two objectives are what the Arabs mean by a "political settlement." The U.S. proposal inevitably must serve to encourage them as to its feasibility.

It needs little imagination to comprehend the kind of pressures Arab governments will exert upon the refugees compelling them to demand admission into Israel, not to speak of the pressures that will be put on Israel to take them in. Indeed, by the U.S. plan, Israel's hands are substantially tied from the outset. There is to be a time-

table for repatriation; Israel has to undertake to accept the first quota within 3 months after the conclusion of a political settlement with Jordan; Israel's sovereignty is subordinated to an international commission that is to supervise selection and classification; and, by the conditions of the operation, the Arab governments have the instrument to blackmail their total accord with Israel on every point. For it is suggested that all aspects of the political settlement be implemented before the completion of the refugee repatriation, since this is to take years to complete. Hence, following the Israeli withdrawal, the Arabs can veto whatever obligations they might have made on the pretext that Israel has refused entry to a group of refugees, whatever their number.

Rather than resolve the refugee problem, the present plan will only serve to exacerbate and perpetuate it. Were Israel to accept the scheme, the date of the first Arab influx would probably go down in history as the beginning of the dismemberment of the Jewish State. Israel rejects it because it won't sign its own death warrant.

JERUSALEM

6. With regard to Jerusalem, the New York Times explains the U.S. proposal as follows:

Israel and Jordan together would settle the problem of ultimate control over Jerusalem, recognizing that the city should be unified, with free traffic through all parts of it, and with both countries sharing in civic and economic responsibilities of city government.

What appears to be envisaged is some sort of condominium in which Jordanian rule would be established alongside the Israeli. The role of Jordan would not even be restricted to the eastern sector it conquered in 1948, but would now be expected to embrace the whole of the city on a share and share alike basis with Israel. Thus Israel's future status in its own capital is to be even less than it was before 1967. This is really a preposterous notion.

Jordan never had any sovereign rights in Jerusalem. Its occupation of the eastern sector for 19 years was that of an aggressor. Twice in two decades, in 1948 and 1967, it unleashed unprovoked war against Jerusalem. In the area it captured by force, Jordan literally eradicated every trace of Jewish existence. It destroyed every ancient synagogue and every house of learning. It destroyed Jewry's most revered historic cemetery and banned Jewry's access to the holiest of its shrines. Under its rule, freedom of worship was selective and discriminatory. Jewish access was barred entirely in defiance of Jordan's obligations under the armistice.

There can be no justice or logic in restoring a Jordanian administration of whatever sort over a city which, in living memory and before, has always known a Jewish majority and where, today, for the first time, there exists by law, freedom of worship and access for all.

THE SUBSTANCE OF PEACE

7. The U.S. documents do contain language about peace and non-belligerency. The New York Times quotes:

Each country will accept the obligations of a state of peace between them, including the prohibition of any acts of violence from its territory against the other.

These words, however, appear meaningless when measured against the full contents of the documents (December 18 and October 28). Nothing is said about recognizing Israel politically or its sovereign statehood. The need to establish secure and agreed boundaries is ignored. Israel is required to surrender sovereign rights over its capital. It is asked to prejudice its security and sovereignty with respect to the refugees. The principle of direct negotiations is jettisoned. The aim of lasting peace is reduced to "a state of peace." And in place of peace agreements "final accords" are proposed. These are not matters of semantics. They are expressions and measures that distinguish a negotiated peace settlement from a political arrangement conceived and imposed by third parties.

THE FOUR POWER PROCESS

8. The U.S. proposals are now to be debated in the Four Power talks. Conceivably, America, will have to take into consideration the views and suggestions put forth by the Soviet Union which openly proclaims itself to be Israel's enemy and the advocate of the Arabs; by France whose position dovetails that of U.S.S.R., which deprives Israel of the arms it contracted to deliver and which it now seeks to peddle in Arab capitals; and by Britain which has joined in competing for Arab favor by imposing a partial embargo of its own on Israel, reneging on the agreement to sell Israel the very kind of tanks it now seeks to market in the Arab countries.

The Four Powers, having reduced the proposals to their lowest common denominator, will then presumably place them before the Arabs and the Israelis for approval. It is not difficult to imagine the emasculation they would have undergone by that time, the strengthened pro-Arab terms they will by then contain, and the concerted pressures to which a politically defenseless Israel will then be subjected. Here, in short, are all the components of an imposed solution emanating out of a formula which is tantamount to an unwitting prescription for the disintegration of Israel.

9. The Arab Governments cannot but take courage from the U.S. stand, viewing as they must the concessions as a gesture of appeasement and as a license for further diplomatic and military escalation against Israel.

The Soviet Union, consonant with the diplomatic history of the past 10 months, has predictably rejected the United States proposals of October 28 dealing with Israel and Egypt. It will also, predictably, press in the Four Power talks, for drastic pro-Arab modification of the December 18 United States plan with respect to Jordan. Indeed, the Soviet Union can now step forth as the new champion of Jordan, reaping for itself propaganda and political fruits not available before. For this is Soviet tactic, as it is that of every totalitarian regime: to respond to each concession extorted with a demand for more.

UNITED STATES-ISRAEL FRIENDSHIP

As for Israel, it grieves the fact that the United States found it necessary to propose a plan which, with all its good intent for peace, is actually retrogressive to peace. It grieves the misunderstanding that has developed between the two Governments, because Israel

cherishes United States friendship rooted as it is in common ideals and a common aspiration for peace. But it has to be made clear that Israel cannot place its very future in jeopardy by agreeing to proposals, even those of its greatest friend, that enshrine elements disastrous to its vital interests. As stated by Prime Minister Golda Meir in a New York Times interview, December 22:

Israel won't accept this (the U.S. plan). We're not going to commit suicide. We didn't survive three wars in order to commit suicide so that the Russians can celebrate victory for Nasser. That isn't what we're here for and what thousands have died for. Nobody in the world can make us accept it. What can happen is that life can be made difficult for us.

So it can, and the ones to benefit, ultimately, will be those who obstruct peace, who seek to evict every vestige of Western influence from the area, and who are bent on destroying the regions only democracy.

APPENDIX D

PEACE IN THE MIDDLE EAST

(Department of State position paper)

The Secretary of State on December 9, 1969, made a statement outlining the views of the United States on a settlement of the Arab-Israel conflict. The Secretary's remarks summarized proposals which the United States has made in the major power talks on the Middle East and has discussed with the parties. Substantially accurate versions of U.S. views on both the U.A.R. and Jordan aspects of an Arab-Israel settlement have appeared in the press.

The U.S. proposals are fully consistent with longstanding U.S. policy with which the parties to the conflict have been familiar since the months immediately following the Arab-Israel war of 1967. It gives strong support to the Security Council resolution adopted unanimously on November 22, 1967, which, in view of the United States, provides the best framework for a peaceful and enduring settlement.

Although Secretary Rogers' speech gives a clear outline of U.S. policy, there have been misunderstandings of the U.S. position in the press and elsewhere in recent weeks. Fears have been expressed that the United States has changed its position on essential aspects of an Arab-Israel peace.

A careful reading of Secretary Rogers' speech together with a review of the text of the Security Council resolution of November 1967 shows that these fears are without foundation. The U.S. position on major points at issue is clear and is based firmly on the resolution of the Security Council.

WITHDRAWAL AND PEACE

The United States does not propose that Israel withdraw from occupied Arab territory except in the context of a mutually accepted peace and measures to insure the security of both sides. What virtually the entire world is saying to both sides is that peace and withdrawal are inseparable. There will be no peace without withdrawal; there should be no withdrawal without peace. This has been the constant position of the United States since the 1967 war and is the essence of the November 1967 Security Council resolution.

As Secretary Rogers said in his December 9 speech:

"... our policy is to encourage the Arabs to accept a permanent peace based on a binding agreement and to urge the Israelis to withdraw when their territorial integrity is assured as envisaged by the Security Council resolution."

Foreign Minister Eban of Israel gave recognition to this U.S. position in the course of an interview on Israeli television December 22, 1969 when he stated:

"No demand is being made on Israel to budge or withdraw until an agreement is signed which would satisfy Israel's needs from a peace and security point of view."

What the U.S. proposals specify as constituting a genuine peace is totally different from the fragile armistice arrangements that have existed in the past. The U.S. proposals provide that a final peace settlement should include firm and specific commitments by the parties, undertaken in relation to each other, to refrain from hostile acts; to restrain guerrillas on their respective territory; to guarantee free navigation for all through the area's international waterways; to acknowledge each other's sovereign existence; and to refrain from interference in each other's domestic affairs.

NEGOTIATIONS AND AGREEMENT

Similarly, the United States continues to hold firmly to the view that there is a need for a mutually binding, contractual peace based on negotiated agreements. The U.S. proposals provide that Israel and its Arab neighbors in a final peace agreement should explicitly acknowledge each other's sovereignty, political independence and territorial integrity and undertake to desist from hostile acts of any kind; that the agreed and stated aim of a settlement must be the establishment of a lasting peace between the parties; and that the final documents must set forth secure and agreed boundaries between them.

The United States believes that the best way to begin a negotiating process is to support the mission of U.N. Special Representative Gunnar Jarring established by the 1967 Security Council resolution. We are fully aware and appreciate that Israel would prefer to reach settlement through direct negotiations from the outset with no preconditions, and opposes as a matter of principle the efforts of the major powers to work out guidelines to help the parties enter into the negotiating process. The history of settlement efforts over the past two and a half years makes clear that negotiations between the parties are unlikely to get started at all without some kind of outside catalyst and without flexibility on both sides with respect to the precise negotiating procedures used.

The aim of the U.S. proposals is to bring the parties to the negotiating table. We are strongly opposed to any attempt to impose a settlement. Our proposals leave large and vital areas of negotiation to the parties, in particular the practical security arrangements which are intended to safeguard a peace. As to negotiations, the only preconditions contained in our proposals are those laid down in the 1967 Security Council resolution which include commitments to peace and withdrawal.

OTHER ISSUES: BOUNDARIES, REFUGEES, JERUSALEM

Some commentators have expressed concern that the United States has changed its policy on the question of boundaries and territory and have taken the view that by stating its position on borders and making suggestions on refugees and Jerusalem, the United States has undermined Israel's bargaining position. Israel's bargaining position has not been weakened; it is not called upon to remove one soldier from territory occupied during the June 1967 war unless it receives

from the Arabs commitments incorporated in a peace agreement in which the practical safeguards of Israeli security are spelled out and are contractually binding on the parties.

On the boundary question, our position rests firmly on the 1967 Security Council resolution which provides for the withdrawal of Israeli forces from territories occupied in the 1967 war. As President Nixon told the U.N. General Assembly on September 18, 1969, we believe that peace cannot be achieved on the basis of substantial alterations in the map of the Middle East. We make a distinction between the question of the location of Israel's boundaries, on which the thrust of the Security Council resolution is clear, and the act of Israeli withdrawal to those boundaries, which should only take place under terms and conditions of peace and security worked out and agreed to by the parties themselves under Ambassador Jarring's auspices.

On refugees and Jerusalem, the recommendations we have made as a framework for negotiations and agreement between the parties reflect long-established policies of the U.S. Government which have been stated publicly in the United Nations and elsewhere on numerous occasions.

U.S. ROLE AND INTERESTS

As Secretary Rogers has emphasized, peace rests with the parties to the conflict. The efforts of major powers can help; they can provide a catalyst; they can stimulate the parties to talk; they can help define a realistic framework for agreement; but agreement among other powers cannot be a substitute for agreement among the parties themselves.

The United States and others who have interests at stake in the Middle East cannot remain aloof while dangerous instability grows in that area. Furthermore, the major powers have responsibilities inherent in their Security Council role and in their relations with the countries in the area, including the supply of arms and economic support, which they cannot abdicate. We are convinced that we should continue to work with others—in the area and throughout the world—so long as they sincerely seek the end we seek: A just and lasting peace without which no state in the area will find true security.

APPENDIX E

U.S. ECONOMIC ASSISTANCE TO ISRAEL

The United States has provided economic assistance to Israel since 1949. The technical assistance program conducted by AID between 1952 and 1962 made an important and lasting contribution to the growth of Israel. Loan assistance between 1953 and 1966 helped finance commodity imports and high priority development projects. Over the years assistance from the U.S. Government has totaled more than a billion dollars.

The United States continues to provide surplus agricultural commodities to Israel under Public Law 480. Since the June war in 1967, the United States and Israel have signed four title I agreements. The latest title I agreement, signed January 17, 1969, was 100 percent repayable in dollars and totaled \$33.5 million. A new request for a title I agreement in fiscal year 1970 is now being considered.

The United States and Israel continue to cooperate in the programming of U.S.-owned Israeli pounds generated by previous title I agreements. One of the most important uses of these funds is the support of over 250 research projects being carried out in Israel and sponsored by more than a dozen U.S. Government agencies. During fiscal year 1969 the equivalent of \$7.8 million in Israeli pounds was expended and we plan to disburse the equivalent of \$6.6 million in fiscal year 1970. Present plans call for the phase out of U.S. support for these projects by 1974.

Under title II, there are various voluntary agency programs operating in Israel, Gaza, and the occupied west bank. Assistance is given by these agencies for maternal-child welfare, schoolfeeding, and other economic and community development projects. During fiscal year 1969, AID made \$4 million available for these purposes and \$3 million is programed for fiscal year 1970.

When Israeli Prime Minister Golda Meir visited the United States in October, she requested balance-of-payments assistance. This request is still being studied and no decision has been made.

Israel today carries on her own extensive technical assistance program, providing Israeli experts with a wide variety of skills to countries in Africa, Latin America, and the Far East.

Israel—American Schools and Hospitals Program Activities

Current Activities.—Under the fiscal year 1968 AID Appropriations Act, \$5,986,000 equivalent in U.S.-owned Israeli pounds were provided for expanding and equipping five educational institutions in Israel under section 214(d), as follows:

	<i>Equivalent</i>
Or Hachayim Girl's College (Jerusalem)-----	\$1, 000, 000
Israel Training Institute for Boys-----	1, 986, 000
Bayit Lepletot Home (educational institution and home for orphan girls (Jerusalem)-----	1, 000, 000
Ch'san Sofer Chasan Yecheskel Institute (girls teacher training institute (Jerusalem)-----	1, 000, 000
Jerusalem College for Women-----	1, 000, 000

All funds were obligated, and the projects are in various stages of architectural planning, land acquisition, or preliminary construction.

Future Activities.—The fiscal year 1970 Foreign Assistance Act contains a number of new activities which were proposed by various congressional committees for obligation this year. The new activities include:

	<i>Equivalent</i>
Weizmann Graduate School (Rehoboth)-----	\$3, 000, 000
Hadassah Medical Center (at three sites in the Jerusalem area)---	5, 000, 000
Merkaz Lechinuch Ichud—an association of four girls high schools (also \$500,000 equivalent in local currency)-----	1, 400, 000
Beth Yaacov Avat Girls School-----	1, 200, 000
Educational Center of Galilee-----	800, 000
Vocational School for the Underprivileged-----	1, 000, 000
Total (dollars and local currency equivalent)-----	12, 900, 000

APPENDIX F

U.S. ECONOMIC ASSISTANCE TO JORDAN, LEBANON, AND THE U.A.R.

JORDAN

The United States began economic assistance to Jordan in fiscal year 1951. Technical assistance projects, budget support payments, Public Law 480 food aid, and development loans provided to Jordan will total approximately \$590 million through fiscal year 1970.

The implementation of the AID program was suspended for a short period following the June War of 1967, but was resumed in July, 1967. Technical assistance and capital projects on the east bank were continued, but two west-bank projects were terminated and the unused funds deobligated. Budget support payments were stopped in December, 1967, because of a temporarily favorable foreign exchange position—due, in part, to receipts from other Arab nations following the war.

For fiscal year 1970, three new technical-assistance projects have been approved, in addition to four ongoing. AID is also grant-financing a study of Jordan's east-bank power generation needs which may result in a Jordanian request for an AID loan to finance all or a portion of the foreign exchange costs.

Public Law 480 food assistance has continued without interruption.

LEBANON

The United States has helped Lebanon with technical assistance, a development loan, and Public Law 480 food programs. The AID technical assistance program, begun in 1952, consisted of a variety of grant-financed activities. A development loan for \$5.5 million was made in 1959 for an agricultural and industrial development bank. The program, which terminated in 1962, totaled \$57.5 million. Lebanon benefits from economic development projects sponsored by the world food program, to which the United States contributes under Public Law 480, title II. Lebanon is also the beneficiary of title II food donations to the UNRWA-administered maternal/child health program for Palestinian refugees.

UNITED ARAB REPUBLIC (EGYPT)

The United States furnished economic assistance to the United Arab Republic from 1952 until the United Arab Republic broke diplomatic relations with the United States on June 6, 1967. Public Law 480 programs were the primary form of U.S. assistance; they totaled \$809 million. Technical assistance projects and five development loans were also provided.

OTHER ASSISTANCE

State Department Cultural and Educational Grants

Jordan and Lebanon have received grants for cultural and educational purposes through the Department of State. These grants finance academic exchanges of students, professors, research scholars,

secondary school teachers, and the nonacademic international visitors' program (leader program).

Section 214 of the Foreign Assistance Act—Assistance to American Schools and Hospitals Abroad

Congress has authorized funds to assist the following American institutions in Lebanon and the United Arab Republic: The American University of Beirut, International College of Beirut, and the American University at Cairo. The latter institution has continued to receive help since the rupture of diplomatic relations.

U.S. ECONOMIC ASSISTANCE TO JORDAN, LEBANON, AND EGYPT

[In millions of dollars]

Country and program	Fiscal year of initial funding	Fiscal year 1967	Fiscal year 1968	Fiscal year 1969	Esti- mated, fiscal year 1970	Total
JORDAN						
AID and predecessor agencies:						
Total	1951	473.5	10.9	1.5	1.7	487.6
Loans		13.8	— .7			13.1
Grants		459.7	11.6	1.5	1.7	474.5
Food for freedom, total		84.2	6.6	7.6	4.6	103.0
Title I		5.4	2.0	1.4		8.8
Title II (Jordan and west bank)		78.8	4.6	6.2	4.6	94.2
State Department cultural and educational grants		(1)	(2)	(2)	(2)	.3
Total		557.7	17.5	9.1	6.3	590.9
LEBANON						
AID and predecessor agencies:						
Total	1952	57.5				57.5
Loans		4.9				4.9
Grants		52.6				52.6
Food for freedom, total		18.9	.5	.2	.7	20.3
Title I						
Title II		18.9	.5	.2	.7	20.3
State Department cultural and educational grants		(1)	(3)	(3)	(3)	.5
Sec. 214 assistance to American schools and hospitals:						
Total		42.5	5.5	10.5	9.5	68.0
American University of Beirut	1959	39.8	5.5	10.5	9.5	65.3
International College	1960	2.7				2.7
Total		118.9	6.0	10.7	10.2	145.8
UNITED ARAB REPUBLIC (EGYPT)						
AID and predecessor agencies:						
Total	1952	157.0	—2.1			154.9
Loans		87.2	—1.1			86.1
Grants		69.8	—1.0			68.8
Food for freedom, total		809.0				809.0
Title I		621.1				621.1
Title II		187.9				187.9
State Department cultural and educational grants		(1)	(1)	(1)	(1)	(1)
Sec. 214 assistance to American schools and hospitals,						
total	1959	6.0	⁴ 1.2	⁴ 1.2	⁵ 45.2	⁶ 53.6
AUC	1959	6.0	⁴ 1.2	⁴ 1.2	⁵ 45.2	⁶ 53.6
Total		972.0	—0.9	1.2	4.2	1,017.5

¹ Not available.

² (In thousands of dollars): Fiscal years 1967, 73.8; 1968, 102.7; 1969, 75; 1970 (estimated) 75; total, 326.5.

³ (In thousands of dollars): Fiscal years 1967, 124.5; 1968, 126.1; 1969, 110; 1970 (estimated) 110; total, 470.6.

⁴ \$1,000,000 equivalent in Egyptian pounds. \$200,000 in dollars.

⁵ 25,000,000 Egyptian pounds endowment grant (\$45,000,000 equivalent) committed fiscal year 1969 but conditions precedent to expenditure have not yet been met. \$200,000 in dollars.

⁶ \$47,000,000 equivalent in Egyptian pounds. \$6,600,000 in dollars.

APPENDIX G

NEAR EAST OIL INDUSTRY

The major producing areas in the Near East are Saudi Arabia, Iran, Kuwait, and Iraq. Up until the mid-50's, there were only a dozen Near East concessions—now there are nearly 50. U.S. companies own more than 50 percent of the Near East production, with essentially all the well-known U.S. companies represented in one or more of the Near East operations.

The Arabian American Oil Co. (Aramco) in Saudi Arabia is owned by four American companies, Standard Oil Co. (New Jersey), Texaco, Standard Oil Co. of California, each owning 30 percent and Mobil Oil Corp. with 10 percent. In Iran, the consortium shareholders consist of British Petroleum (BP) 40 percent, Shell 14 percent, Cie. Francaise des Petroles (CFP) 6 percent, five major companies—Jersey, Texaco, California Standard, Mobil, and Gulf with 7 percent each, and Iricon—a “consortium within a consortium” of six smaller American companies holding 5 percent. The Kuwait Oil Co. in Kuwait is owned by BP and Gulf on a 50/50 basis. In Iraq, the late Mr. Gulbenkian was instrumental in setting up the original concessions and retained a 5 percent interest; one quarter of the remaining 95 percent, or to be precise, 23.75 percent, is owned by BP, CFP, and Shell, with another quarter owned by the Near East Development Corp. (NEDC) in which Jersey and Mobil each own a half interest, or 11.875 percent of the total IPC shareholding.

It will be noted from the table below that Near East production is expected to average 12,250,000 barrels per day in 1969; including Libya, the total will be 15,400,000 barrels daily. For comparison, 1969 crude and condensate production in the United States was about 9,200,000 barrels daily and the total operable United States refining capacity (291 refineries) was about 11,700,000 barrels daily.

NEAR EAST OIL, 1969 (ESTIMATED)

Production, barrels per day		Markets, barrels per day		Percent supplied by Near East
Iran.....	3,400,000	Western Europe.....	5,600,000	50
Saudi Arabia.....	3,225,000	Far East.....	4,700,000	80
Kuwait.....	2,775,000	Western Hemisphere.....	595,000	3
Iraq.....	1,500,000	Africa.....	500,000	50
Others.....	1,350,000	Communist areas.....	80,000	1
		Local use.....	775,000	
Total, Near East.....	12,250,000			
Total, Libya.....	3,125,000	Total.....	12,250,000	

U.S. production, 9,223,000 barrels per day; refining capacity, 11,700,000 barrels per day.

Note: The figures shown for Saudi Arabia and Kuwait include production of 450,000 barrels daily in the neutral zone between Kuwait and Saudi Arabia, an area in which each of these states holds an undivided half interest. Thus, Aramco production is about 3,000,000 barrels per day and KOC, 2,550,000 barrels per day. The Iranian consortium is expected to be 3,100,000 barrels per day. The “others” figure is made up of the following:

	Million barrels per day
Abu Dhabi.....	600
Qatar.....	350
Oman.....	325
Bahrain.....	75
Subtotal.....	1,350

A further indication of the importance of Middle East oil to the major nations of the world is the fact that Europe takes approximately 50 percent of its crude oil, or some 5.6 million barrels daily, from the Near East and a further 25 percent, or 2,900,000 barrels daily, from Libya. Of the 4.7 million barrels daily shown for the Far East, Japan alone consumes about 2.7 million barrels daily from the Near East, or approximately 90 percent of its crude oil requirements.

The Near East contains two-thirds of the free world's reserves. Roughly 90 percent of Near East reserves are in four countries. Each of three of these countries has more proven reserves than the United States and the fourth almost has.

<i>Recoverable reserves</i>		<i>Billions of barrels</i>
United States and Canada (U.S., 38.7; Canada, 8.8)	-----	47. 5
Venezuela	-----	14. 8
Middle East total	-----	317. 5
Saudi Arabia	-----	140. 0
Kuwait	-----	68. 0
Iran	-----	55. 0
Iraq	-----	27. 5
Subtotal	-----	290. 5
Total, free world	-----	463. 8

Source: Oil & Gas Journal, Dec. 29, 1969.

The oil payments received by the various Near East governments, plus Libya, are shown below. Saudi Arabia and Iran are each estimated to receive slightly more than \$1 billion in 1969. Total oil revenues are close to \$5 billion.

GOVERNMENT OIL REVENUES

[Dollars in millions]

Year	Saudi Arabia ¹	Libya	Iran	Kuwait ¹	Iraq	Others ²	Total
1956	300	-----	153	310	193	46	1, 002
1960	355	-----	285	465	266	67	1, 438
1964	561	197	475	655	353	96	2, 337
1965	655	371	534	671	375	119	2, 725
1966	777	476	607	707	394	210	3, 171
1967	850	631	754	718	361	227	3, 541
1968	955	952	836	773	476	354	4, 346
1969 (estimate)	1, 020	1, 140	1, 001	826	483	438	4, 908

¹ Including half of neutral zone.

² Qatar, Abu Dhabi, Bahrain, Oman, and Dubai.

