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PEACE IN THE MIDEAST: A DELICATE
BALANCE

REPORT

OF A

STUDY MISSION TO THE MIDEAST
AND IRELAND

JANUARY 2 TO JANUARY 20, 1978

TO THE

COMMITTEE ON INTERNATIONAL RELATIONS
U.S. HOUSE OF REPRESENTATIVES

PURSUANT TO

H. Res. 313 and 981

AUTHORIZING THE COMMITTEE ON INTERNATIONAL RE-
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FOREWORD

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C., April 18, 1978.

This report has been submitted by 13 members of the Committee on International Relations and 2 members of the House Rules Committee, who conducted a study mission to the Mideast and Ireland between January 2 and January 20, 1978.

The findings in this report are those of the study mission and do not necessarily reflect the views of the membership of the Committee on International Relations.

CLEMENT J. ZABLOCKI, *Chairman.*

(III)

FOREWORD

The purpose of this book is to provide a comprehensive survey of the history of the United States from the time of the first settlement to the present. It is written for the general reader and is not intended as a technical or scientific work. The author has endeavored to present a balanced and objective account of the events and people who have shaped the nation. The book is divided into two main parts: the first part covers the period from the first settlement to the Civil War, and the second part covers the period from the Civil War to the present. The author has drawn on a wide range of sources, including primary and secondary materials, to provide a detailed and accurate account of the history of the United States.

The author is a member of the American Historical Association and has published several books on the history of the United States. He is currently a professor of history at the University of California, Berkeley.

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PEACE IN THE MIDEAST: A DELICATE BALANCE

INTRODUCTION

From January 2 to January 20, 1978, a study mission of the House International Relations Committee visited seven countries of the Mideast and Ireland. The delegation, headed by Representative Clement J. Zablocki, chairman, included Representatives Dante B. Fascell, Jonathan B. Bingham, Leo J. Ryan, Helen S. Meyner, Donald J. Pease, John J. Cavanaugh, William S. Broomfield, Paul Findley, J. Herbert Burke, Larry Winn, Benjamin A. Gilman, and Shirley S. Pettis. Also participating in the study mission were Representatives Christopher Dodd and Del Clawson from the House Rules Committee.

The purpose of the study mission was to review U.S. bilateral relations with each of the respective countries and to explore U.S. military and economic assistance programs as well as foreign military sales programs. In the countries of the Middle East the study mission also discussed at great length the prospects for a just and lasting peace in the region.

To that collective end, the members of the delegation met with the head of state in each of the countries visited (with the exception of Saudi Arabia and Ireland) plus numerous other political and military officials. In addition, members of the study mission met with Secretary of State Cyrus Vance in Jerusalem. The delegation's complete itinerary and schedule of meetings appears in the appendix to this report.

Helpful and courteous assistance and valuable information was provided the study mission in each country by the U.S. Ambassador and Embassy staff. Finally, upon its return to the United States the delegation together with other members of the House International Relations Committee once again met with Secretary Vance.

In relation to the Middle East, the delegation found this study mission invaluable in gaining a better understanding of the complex and difficult issues involved in reaching a just and lasting peace in the region. It is the delegation's combined hope that the insights and observations contained in this report will prove equally valuable to our colleagues and also contribute to the dialog of the negotiating parties.

OBSERVATIONS

During the 3 weeks of the study mission's visit to the Mideast lengthy discussions were held with the heads of state as well as key political and military leaders in each country. The study mission also benefited greatly from extensive briefings provided by U.S. Ambassadors and Embassy staffs. In addition, the study mission made onsite inspections of such strategically affected areas as the Sinai, the Golan Heights, and the West Bank. On the basis of these extensive contacts the following observations can be drawn:

—The leaders and people of all the countries visited want a just and lasting peace. In fact, the average citizen of many of the countries outpace their own leaders in their desire to avoid war, to improve their lives, and to attain long-delayed economic and social goals.

—Urgent and long overdue as peace in the area is, it will not come easily. Some leaders on both sides are so deeply rooted in the past that they find it difficult if not impossible to think of the future. In addition, among the few Arab leaders who do not support the Sadat initiative, there is a determination to destroy the Sadat peace effort. That fact is exacerbated by the uncooperative attitude and obstructionist actions of the Soviet Union.

—The use of sharp rhetoric on both sides has set back what are already delicate and difficult negotiations. Leaders in the area should avoid caustic public statements and resort to quiet diplomacy and meaningful negotiations. In that connection, the media—whose role in helping to bring about the current negotiations is recognized—should exert a reasonable restraint.

—The historic and courageous initiative of President Sadat has created a unique opportunity for peace which should not be lost. Unfortunately, the early hopes raised by the Sadat visit to Jerusalem and the Israeli response have not been realized. If solid results are not achieved within the next few months, there is widespread concern that Sadat and other moderate Arab leaders could be replaced by radical extremists. Ultimately, the lost momentum and failure of the negotiations would increase security threats to Israel and Soviet influence in the Arab world would be enhanced. A new and dangerous war in the area would become a probability, but, even if that did not occur, both sides would suffer grievously from the burden of continued preparation for war. Another opportunity for peace, such as still exists at present, might not appear for decades.

—Arab and Persian leaders feel strongly that the Israeli response to Sadat's initiative has been inadequate and disappointing. By contrast, Begin contends that he has made significant concessions, the extent and importance of which Egypt and the Arab leaders fail to recognize or appreciate. Often overlooked in this difference of opinion is the fact that Sadat's effort has a large symbolic dimension which Israel's response to date has not been able to match in kind.

—The two most difficult issues blocking an agreement are the Palestinian question and Israeli settlements in the West Bank (Judea and Samaria) Gaza area and the Sinai. Regarding the Palestinian question, the Arab side insists that the Palestinians must have the right to self-determination or, as President Carter phrased it, the right to participate in the determination of their own future. Such a process, in the view of Egypt and other moderate Arab States, does not have to envisage the immediate emergence of an independent Palestinian state at this time, a development which Egypt, Jordan, and Saudi Arabia are agreed would be destabilizing and dangerous. Prime Minister Begin has proposed self-rule for the Palestinian territory but insists upon an Israeli military presence for security purposes.

—The issue of Israeli settlements in the occupied territories—described by President Carter as illegal—is the other challenging hurdle. Based on claims of historical sovereignty, Prime Minister Begin remains adamant that the settlements must not only stay, but that Israel must also provide security for them in the form of an Israeli military presence. President Sadat is equally and forcefully firm in his demand that the settlements in the Sinai, West Bank, and Gaza are on Arab land and therefore must be vacated and Israeli forces withdrawn. Long and hard negotiations distinguished by honest compromise on both sides will be needed if the deadlock is to be resolved.

—To be workable and lasting, any peace agreement must be comprehensive. It must also take into full account the aspirations of all the Arabs—including the Palestinians—as well as the security needs of Israel. In this same connection, President Sadat made it clear that he is negotiating for a comprehensive peace, not a bilateral agreement with Israel.

—Both President Sadat and Prime Minister Begin enjoy strong public support in their respective countries, a fact which they should draw on in taking more accommodating positions in the current negotiations.

—Although Yasir Arafat and the PLO have some support and recognition in the Arab States, there is no universal view in the Arab world that either Arafat or the PLO necessarily or inevitably would govern a Palestinian entity. In general, Arafat is not perceived by the Arab world as a necessary ingredient or an insurmountable obstacle to peace.

—Although many countries of the Mideast are now economically depressed and grossly underdeveloped, there is a vast unfulfilled potential which peace could unleash. In the minds of many people throughout the region the recognition of this fact generates great frustration and impatience as resources needed for economic and social development continue to be sapped by war and preparations for war. They believe with peace the area could eventually become viable economically, agriculturally, and overall self-supporting.

—Permeating the atmosphere of the Mideast and impeding the chances for peace are a mutual distrust and lack of understanding on each side, born of years of animosity, conflict, and lack of contact. Though difficult to achieve under current circumstances, increased contacts, through such means as exchange of journalists, tourism, and perhaps technical and scientific cooperation, would be helpful in overcoming these psychological obstacles.

—A factor of enormous long-range importance in the Mideast tangle is the fear of increased Soviet influence in the area which is shared by Israel, Egypt, Jordan, and Saudi Arabia. The geopolitical significance of this unifying factor seems often to be obscured in the minds of the peoples and governing officials of these several countries by short-range considerations of a political or military character.

THE ROLE OF THE UNITED STATES

Amid the many complexities, historical animosities, religious differences, intense emotions, and often inflamed rhetoric which characterize the current Mideast situation, the role played by the United States is crucial. Consequently, throughout its visit to the region the study mission consciously and carefully evaluated U.S. efforts in this delicate and difficult situation.

The delegation noted with approval the consistent high trust all parties place in the United States and the desire in all states for improved relations with and reliance on the United States. In wise and honest recognition of that fact, the United States should continue its role of impartial mediator by building bridges between the parties.

While many obstacles remain, much has been accomplished in the past few months, and the parties are closer to peace than before Sadat's visit to Jerusalem. With patience and understanding much more can and must be accomplished.

Under the effective leadership of President Carter, ably represented by Secretary of State Cyrus Vance, the United States should continue to urge compromise and seek accommodation. This responsible posture complements the all-important fact that any imposed settlement will not work, and that the Mideast's only chance for peace lies in a plan devised by Arab and Israeli leaders.

A report on the discussions which were held in each of the countries visited and which served as the basis of these observations follows:

TUNISIA

INTRODUCTION

During the course of its January 3-4 stay in Tunisia the study mission met with President Habib Bourguiba, Prime Minister Hedi Nouira, Foreign Minister Mohamed Fitouri, Defense Minister Abdallah Farhat, and National Assembly President Sadok Mokaddem. These meetings, which were reinforced by informative briefings from U.S. Ambassador Edward Mulcahy and Embassy staff, covered a variety of United States-Tunisian bilateral relations, economic and military issues, and the prospects for peace in the Mideast. Out of those exchanges the following key points emerged:

ATTITUDE TOWARD MIDDLE EAST PEACE

The Tunisian Government evidenced essentially sympathetic but sometimes muffled support for the Sadat peace initiative. More specifically, the view was expressed that Egypt has suffered economically for too long and that the Sadat effort "deserves to be aided." However, officials expressed apprehension over Sadat's fate and the prospects for peace if, as they stressed, Israel's response remains inadequate. As to the possible future cooperation of the rejectionist and steadfast Arab States, these officials expressed confidence that if Sadat succeeds the others will follow, including Syria and Iraq. Regarding Tunisia's intentions to fully normalize relations with Israel if a peace settlement is reached, officials took a wait-and-see attitude.

In relation to the Palestinian question, Tunisia holds to the basic Arab view that the Palestinians must have the right of self-determination. According to Tunisian leaders, the exact status and affiliation of a Palestinian entity can be settled only after the occupied territories have been returned and Palestinians exercise the right of self-determination.

Like too many other Arab States, Tunisia reflected an excessive dependence on or inflated anticipation of the ability of the United States to bring about a Mideast peace settlement, particularly in terms of its alleged influence on Israel. The view ranged from a vague but strongly held notion that the United States has a "magic key" solution to a more specific view that the United States can force Israel to be more responsive to Sadat's initiative. In the minds of some Tunisian leaders, the latter misconception is associated with the thought that since Israel seems to equate security with territory the United States may have to consider a possible security arrangement with Israel. The study mission's efforts to dissuade Tunisian officials of the idea that the United States has a predominating role in the peace negotiations were to little or no avail.

On the question of Yasir Arafat the Tunisian Government does not believe that the Palestinian Liberation Organization (PLO) leader need be a necessary ingredient or remain an insurmountable obstacle to peace in the area.

BILATERAL RELATIONS

A universal and deeply rooted concern among all Tunisian officials with whom the study mission met centered on possible reductions in the level of U.S. economic assistance. Throughout the 1970's Tunisia's economic growth has been impressive. During that period, for example, Tunisia's gross domestic product (GDP) grew at an average annual rate of 9 percent and per capita income doubled. In addition, savings and investment rates were impressively high. In short, by the end of its current and crucial 5-year development plan in 1981 Tunisia hopes to reach a self-generating economic growth. Among Tunisian officials, the fear of a possible reduction in U.S. aid is seen as potentially and highly detrimental to this goal. Their anxiety is expressed in the observation that they should not be penalized for having demonstrated hard work and initiative. Any cutback in U.S. assistance before 1981, they argue, would break the momentum of their promising economic drive. Tunisia also receives what they describe as "important aid" from Kuwait, Saudi Arabia, and the United Arab Emirates, with lesser amounts from Libya, Iraq, and France.

Tunisia is currently embarked on a 5-year military modernization program involving \$600 million, one-quarter of which they hope to finance through U.S. foreign military sales (FMS) credits. In addition to the Chaparral air defense system which they already have, Tunisian military officials are now requesting TOW antitank missiles. Other anticipated items include Vulcan anti-aircraft systems, helicopters, and armored personnel carriers. In all instances Tunisian officials stressed the defensive nature of their requests and in view of their modest resources they emphasized the need to maximize their military capability through effective use of limited equipment and manpower.

Prior to the study mission's visit to Tunisia, the group had been advised that the Departments of State and Defense both were concerned over a decision to permit Soviet naval vessels to use Tunisian ports for resupplying, refueling, and minor repairs. Tunisian officials discounted these concerns and explained the use of port facilities by Soviet naval vessels in terms of pragmatic expediency. While loosely apprehensive about the "Marxist threat," officials observe that when they failed in their efforts to interest Western powers in using the port, they were compelled by economic reasons and in compliance with international law to open the facilities to the Soviet Union without any special concessions. The study mission was assured, however, that the Soviet vessels would not be permitted to use these ports for hostile action against the West.

SUMMARY

Tunisia describes itself as a moderate and realistic state. It seeks to implement its policy of nonalignment by working for amicable relations with as large a number of countries as possible. At the same time, Tunisia lays great stress on its relations with the West, particularly France and the United States. Since winning independence in 1956, Tunisia has enjoyed political stability, and the near-term outlook is for more of the same. However, eventual challenges to the Tunisian regime cannot be discounted. Although an aging and infirm President Bourguiba is turning leadership over to Prime Minister Nour, inevitable rivalries may disrupt what is for now at least an orderly transition. For example and not to be ignored in the context of Tunisian political stability is the increasingly influential and strongly independent General Union of Tunisian Workers (UGTT) with a claimed membership of 500,000, since there is growing evidence of unrest and discontent throughout the labor movement in Tunisia.

On the whole, United States-Tunisian relations are excellent. As a moderate democratic state, Tunisia has proven effective and helpful in the Middle East, at the United Nations, and in Third World groups. U.S. interests lie in maintaining Tunisia's overall moderate posture.

SYRIA

INTRODUCTION

The study mission was in Syria January 4-6, 1978, and met with President Hafiz al-Assad, Foreign Minister Abd al-Halim Khaddam, Minister of Economy and Foreign Trade Muhammad al-Imadi, Speaker of People's Council Muhammad Ali al-Halabi, and the Chairman of the Committee of Arab and Foreign Affairs Dr. Muhsin Bilal. Both Ambassador Richard W. Murphy and AID Director Gordon B. Ramsey provided the delegation with extensive briefings on domestic and international issues affecting United States-Syrian relations.

ATTITUDE TOWARD MIDDLE EAST PEACE

The Syrian Government condemned Sadat's initiative as a betrayal of maintaining a unified Arab front which the Syrians feel offers the only opportunity for real peace. One Syrian official went so far as to say, "He should be hung a thousand times." They added that it is "naive" to think Sadat can succeed as evidenced by what they call "greater Israeli intransigence" reflected in Israel's response to Sadat's initiative.

At the same time, Syria wants to remain a steadfast Arab State exemplified by their continued commitment to a negotiated and peaceful settlement within the framework of a Geneva Conference. To stress this point government leaders expressed willingness to participate in a Geneva Conference under the conditions that all parties involved, including the Palestinians, can attend.

Furthermore, the Syrians are continuing to resist persistent pressures from Iraq and Libya to join the rejectionist Arab States who are still committed to the destruction of Israel.

Syria's continued commitment to a negotiated settlement is based on U.N. resolutions since 1947 dealing with the Israeli-Palestinian issue, including U.N. Resolutions 242 and 338. They placed great emphasis on the U.N. mandate which created Israel and which called for a Jewish State and an Arab State in Palestine. They conceded the lack of Arab concern for the creation of a Palestinian State between 1948 and 1967, regarding this as an error.

In spite of their conflict with the PLO in Lebanon, they have maintained close relations since 1967 with the PLO, which carries on various activities in Damascus. The Syrians stress that no Arab State, including Syria, Jordan, and Egypt, can speak for or represent the Palestinian people. Further they contend, that in accordance with the Palestinian people, the Arab summit (Rabat decision), and the U.N. General Assembly, only the PLO can represent the Palestinians. In that respect they say that Arafat has "a role to play."

Citing the significant and continuing transfer of U.S. military equipment to Israel coupled with alleged Israeli intransigence, Syrian officials contend that the United States must exert pressure on Israel to make those concessions needed to satisfy basic Arab requirements for a comprehensive settlement. These requirements, according to the Syrians, are twofold: (1) legitimate rights of the Palestinians must be assured; and (2) Palestinians should be granted the right to settle on territory belonging to Israel prior to 1967 consistent with the U.N. Resolution of 1947¹ calling for the establishment of two states—one for Arabs and one for Jews—and an international trusteeship of Jerusalem.

Finally the Syrians argued that the human rights of the Palestinians are being violated by the Israelis. They further contend that, given the U.S. role of a strong advocate for human rights in the world, the United States should perform an "important role" in restoring human rights to the Palestinians.

Domestically, in the area of human rights, Syrian officials pointed out that there is no discrimination against Syrian Moslems, Christians, and Jews and that they all have the same rights and responsibilities as Syrian citizens.

As to restriction on the emigration of Syrian Jews to Israel, Syrian officials claimed that the restriction applies to Moslem and Christian Syrians as well and is therefore not discriminatory. They view this policy as a necessity as long as a state of belligerency exists with the State of Israel. The Syrian Government has been working on a project to allow young Syrian Jewish girls to emigrate to the United States for purposes of marriage.

BILATERAL RELATIONS

Since restoring diplomatic relations in 1974, United States-Syrian bilateral relations have steadily improved. While underscoring their belief that the future development of United States-Syrian relations should not be related to efforts to resolve the Middle East problem, Syrian officials expressed a strong desire for improved relations in the economic and development areas.

To date, U.S. economic assistance in the fiscal years 1975-78 period has been concentrated in three main areas: agriculture and rural development, health and nutrition, and transportation.

As to future uses of U.S. economic aid, Syrian officials stressed technical training of Syrians in the United States in the areas of agriculture, mineral resource development, transportation, water supply, and health services.

Such assistance coupled with increasing economic aid from rich Arab States have encouraged Syrian officials about the prospects of improving the economic well-being of the Syrian people.

As to future economic objectives, Syria hopes to restore Damascus as the commercial center of the Middle East. Recognizing the important role the private sector can play in achieving such a goal, about 25 percent of Syria's 5-year economic plan is reserved for private investment in agriculture and industry. Noting their high degree of

¹ U.N. General Assembly Resolution 181 (II) adopted Nov. 19, 1947, but never implemented.

untapped natural resources, Syrian officials explicitly requested substantial increases in foreign investment. In this respect, the Syrians strongly encourage U.S. business investment, especially in the area of oil exploration.

As an indication of the favorable political and economic climate being maintained with the West by the Syrians, they cite their ability to attract foreign capital from Europe.

SUMMARY

Although Syrian officials believe that Sadat shattered its primary foreign policy objective of developing a united Arab front, they have resisted pressures to join the rejectionist Arab States. The Syrian Government is still committed to a peaceful resolution in the Middle East and would participate in a properly organized Geneva Conference. Despite deep-rooted suspicions and radical Arab efforts to the contrary, Syria is actively seeking closer economic relations with the West, especially the United States, while retaining their predominant military relationship with the Soviet Union. Continuation of U.S. economic aid should help to solidify relations with Syria by providing real support for her economic and development needs, and hopefully may eventually encourage greater Syrian cooperation in the peace process which is essential to a comprehensive settlement in the Middle East.

EGYPT

One of the study mission's most important stops in the Mideast was its stay in Egypt from January 6 to 9. The delegation met in Aswan with President Anwar Sadat and Deputy Prime Minister and Minister of Defense General Mohamed Gamasy and in Cairo with Prime Minister Mamduh Salem, Speaker of the People's Assembly Sayyid Mar'i, and Deputy Prime Minister for Economic and Financial Affairs and Minister of Planning 'Abd al-Munim Mahmud al-Kaissouni. In addition the delegation had extensive and excellent briefings from U.S. Ambassador Herman Eilts, AID Director Donald Brown, and Defense Attaché Brig. Gen. James Pfautz. Finally, the delegation visited the American University in Cairo and the Aswan High Dam and Lake Nasser. On the basis of these extensive meetings the following observations were drawn.

ATTITUDE TOWARD MIDDLE EAST PEACE

Over and above the many specific differences between Egypt and Israel regarding Mideast peace negotiations, Egyptian officials assess the prospects for a settlement in terms of whether or not there is a "will for peace" in the area. Firm in the contention that Israel's response to the Sadat initiative is "inadequate," they explain that in part as a result of what they see as Israel's failure to understand and accept "the new world and new set of facts" which the Sadat visit to Jerusalem created. These officials are keenly aware of the need to maintain the dynamic momentum created by Sadat's effort. At the same time they remain determined in their insistence on two points: full Israeli withdrawal from all the territories occupied after 1967, and a solution to the Palestinian question "in all its aspects," including self-determination for the Palestinians. Egypt further interprets the Israeli view on Jerusalem in terms of not wanting the city divided again by barbed wire and of wanting to provide access to holy places for all three major religions—to both of which they agree.

Egyptian officials also say they recognize and understand Israel's main concern with security, particularly on the West Bank. In response to that concern they contend that Israel's security can be achieved by various means, including the creation of demilitarized zones, early warning systems, a U.N. force presence, and the creation of a joint committee to oversee the implementation of the agreement. They also perceive Israel's security concerns in terms which allege Israel's persistent failure to understand that security rests not in land but in the stability and satisfaction of the Arab States. Finally, in response to what they describe as Israel's tendency to question Egypt's enduring commitment to peace if and when President Sadat leaves office, they point out that the question cannot depend entirely on one man but rather on the state of Egypt and the enduring desire for peace of its people.

In reference to various aspects of the Palestinian question, Egyptian leaders expressed the following views and opinions: Support for Palestinian self-determination and insistence on the primary principle of a Palestinian state; any Palestinian entity should be linked to Jordan; Palestinians can determine for themselves whether the PLO and Yasir Arafat are to be their representatives; not all segments of the PLO support the terrorist actions and policies attributed to the group as a whole; and, the question of which Palestinians should be allowed to participate in the process of self-determination would eventually "take care of itself" as a result of preparatory meetings leading to an eventual convening of the Geneva Conference.

President Sadat remains adamant in his insistence on a comprehensive peace settlement with Israel. In fact, he says flatly that a bilateral agreement involving only the Sinai could have been obtained without his having to go to Jerusalem. In this same connection, Egyptian officials are cautiously confident that Syria and even the rejectionist Arab States will eventually join the peace process "under the right circumstances."

BILATERAL RELATIONS

Egyptian leaders were as anxious to establish a military supply relationship with the United States as they were pessimistic over the prospects of doing so. Their attitude on the issue was a mixture of hope, impatience, and some bitterness. At the same time, they professed to understand the "domestic pressures" within the United States which inhibit major sales at this time. However, in defense of their request for the sale of TOW antitank missiles, remote pilotless vehicles (RPV's), and F-5 aircraft, they repeatedly emphasized what they viewed as extensive and highly sophisticated U.S. military assistance to Israel. They further argued that the United States has provided Israel with "more than enough" military equipment and that additional aid would be "dangerous for the future." In terms of the potential threat to which requested U.S. equipment for Egypt would be directed, Egypt pointed to Libya and the Horn of Africa. While expressing preference for U.S. arms they were obviously determined and prepared to turn to other suppliers if necessary. Among other considerations justifying their request for arms, Egyptian officials cited their technical and manpower capability to fully and properly utilize whatever equipment may be provided. Although Soviet-supplied equipment has reportedly deteriorated, Egyptian military officials noted that maintenance is generally adequate except for some problems experienced in the upkeep of aircraft engines as a result of a shortage of spare parts and equipment brought about by the Soviet cutoff of military supplies to Egypt.

Egypt is seriously plagued by a severely depressed economy. That fact is amply reflected in a badly deteriorating infrastructure, chronic balance of payments difficulties, an acute housing shortage, a high inflation rate, and a large external debt requiring constant refinancing. All of these problems are exacerbated by a 2.4-percent annual population growth rate which, if unchecked, will increase Egypt's population of 40 million to 60 million by the year 2000.

In an effort to overcome these economic difficulties and reverse the negative momentum, Egypt is deploying various corrective measures. In that effort Egypt is aided by substantial balance-of-payments support from wealthier Arab States, the bulk of which was used most recently to restructure its debt-servicing problem. In addition, U.S. assistance programs are being used in part to relieve Egypt's balance-of-payments deficits through a combination of commodity import program loans (which are tied to the purchase of U.S. goods) and Public Law 480 programs. The major share of U.S. aid, however, is in project assistance intended to generate long-term economic development. Underlying all U.S. aid to Egypt is the basic objective of generating the political and economic stability needed for the peace effort to succeed. In keeping with that goal the study mission noted approvingly the shift to commodity assistance programs. The delegation also observed, however, that this type of aid should diminish over the next few years in favor of a proportionally larger project assistance program.

Yet to be confronted squarely by Egyptian officials is a long-established program of subsidizing staple commodities, one of the major factors contributing to the country's economic plight. A government move to eliminate the subsidy by increasing prices was canceled after the outbreak of widespread rioting at the beginning of 1977. Egyptian officials trying to face up to the issue note that any renewed effort to increase prices will be "difficult."

In reviewing the apparent slow pace of the U.S. project assistance program the study mission observed that the problem stemmed in large part from the relative newness of the United States-Egyptian relationship. The resulting unfamiliarity with procedures and practices on both sides—reinforced by a sometimes balky Egyptian bureaucracy as well as a tendency to proceed cautiously—often produced significant delays. Although the delegation was reassured that these problems are being actively addressed, persistent effort will be needed.

Finally, the review of Egypt's economic problems undertaken by the study mission also observed some prospects for hope and encouragement. Enhancing Egypt's potential for the future is a more than 50-percent literacy rate as well as the development of new oil and mineral resources.

In inverse ratio to the strong and steady rise in United States-Egyptian relations is the plunge in Egypt's relations with the Soviet Union since 1972. At the core of Egypt's rejection of the Soviet Union is President Sadat's strong personal anti-Communist bias. Egyptian officials see the Soviet's current posture as one of holding out for Sadat's failure as a means of returning them to their once dominant position of influence in Egypt.

In reference to the Horn of Africa, Egyptian leaders express serious apprehension over increased Soviet military supplies and advisers in Ethiopia. Describing the situation as "very dangerous," they see it constituting a Communist pincer movement on Egypt from Angola and Ethiopia. Their suggested solution to the Somali-Ethiopian conflict over the Ogaden involves a mediation effort led by the United Nations.

SUMMARY

Since the resumption of diplomatic relations in February 1974, United States-Egyptian ties have grown steadily stronger. Today the United States enjoys a position of preeminent influence and respect in Egypt. Reinforcing this positive relationship is Egypt's leadership role in seeking peace in the Mideast, an effort supported by the United States. Egyptian officials gave the study mission every indication that they intend to continue and enhance this close relationship.

It was apparent to the delegation that Egypt will be able to turn its concentrated attention to its pressing economic and other domestic problems only after a final peace settlement is reached. It also appeared to the delegation that President Sadat retains the political strength and control needed to achieve peace. Despite some internal resistance, his peace efforts enjoy resounding public support. Even more important, he continues to receive the full backing of his military.

On the negative side, President Sadat is faced with several short-term challenges. First, he must contain a heightened public anticipation for peace fueled by the mistaken notion that his Jerusalem visit was the end rather than the start of an extended process and exaggerated by an Egyptian proclivity toward extremes in public attitude. Second, in terms of showing results to his military and satisfying their desire to replenish depleted equipment stocks, he must acquire arms. While Egypt would obviously prefer to receive such military supplies from the United States, it is determined to get them elsewhere if necessary. In this same connection, the delegation noted that virtually an entire generation of Egyptian officers have been without U.S. contact particularly in the form of training.

Finally, it was clear to the study mission that President Sadat is sincere and determined in his peace initiative and that he enjoys the overwhelming support of the Egyptian people as well as political and military leaders. It was also obvious that Sadat's efforts would be greatly enhanced if he had the more active support of other Arab States. Hopefully, events will demonstrate to all parties that compromises will have to be made if they are to shed the burdens of war and preparations for war. To that end, it is the delegation's hope that all concerned parties will decide to help negotiate the peace that is so widely desired in the Mideast.

SAUDI ARABIA

INTRODUCTION

While in Saudi Arabia from January 9-11, 1978, the study mission met with Crown Prince Fahd, Minister of Petroleum Ahmad Yamani, Minister of Commerce Suleiman Solaim, Deputy Minister of Defense and Aviation Prince Turki, and Deputy Minister of Planning Feisal Bashir. The study mission also met with the American business community in Riyadh and was briefed by Ambassador John C. West and the chiefs of U.S. military organizations. The study mission also toured the Arabian American Oil Co. (Aramco) facilities in Dhahran to review Saudi Arabia's present and future oil production capabilities.

ATTITUDE TOWARD MIDDLE EAST PEACE

Although apprehensive and even critical of certain aspects of President Sadat's initiative, Saudi Arabian officials expressed admiration for Sadat's courage and hope that a comprehensive settlement can be achieved. As an expression of this support for Sadat, Saudi Arabia remains committed to being Egypt's main source of economic assistance.

The Saudis' present position in not taking a public stand in support of President Sadat's initiative is in part a reflection of their surprise over Sadat's timing, and his lack of prior consultation with Saudi Arabia and other countries. Furthermore, the Saudis argue that their position has enabled them to maximize their contribution to the development of a comprehensive settlement by enabling them to maintain lines of communication with and to serve as a moderating influence on the PLO and other less moderate Arab countries such as Syria.

Saudi Arabian officials expressed their preference for a Palestinian homeland affiliated with Jordan as opposed to an independent Palestinian state. These officials believe that a strong majority of Palestinians would choose such a relationship if freely granted the opportunity. Saudi leaders also expressed strong support for Arab control of Jerusalem and its holy places.

Like the Egyptians, key Saudi Arabian officials expressed deep concern to the delegation over persistent attempts by the Soviets to extend their influence and control in the area. Noting the quick movement of the Soviet navy to South Yemen after being ejected from Berbera, Somalia, the Saudis believe that the United States has not taken a more responsible position as to South Yemen "because the United States is preoccupied with Israel and forgets about the rest of the area." On its part, the Saudi Government has extensively deliberated on what should be its own proper and most effective approach to South Yemen. Citing Soviet and Cuban military activities in Ethiopia, the Saudis urged that the United States "act quickly" in the Horn of Africa.

BILATERAL RELATIONS

The study mission's discussions with Saudi officials on bilateral issues concentrated on energy and military related matters.

In the energy area, the Saudi Arabians lamented the lack of an effective and comprehensive energy policy in the United States. Official Saudi opinion is divided over the desirability of increasing oil production beyond the present rate of 8½ million barrels per day. The study mission was advised that a doubling of that production rate would require \$25 billion in additional capital expenditures and 3 to 5 years' leadtime by Aramco.

Key Saudi energy officials disposed to increase oil production note that if the production level is not increased from the present rate there will be a serious world shortage of oil beginning in 1980. Such a development would then drive the price of oil to the level of equivalent energy alternatives; that is, between \$30 and \$40 per barrel. This would place severe demands upon both the less developed and developed countries and severely weaken the world economy.

Saudi officials opposed to increasing oil production based their arguments on the view that untapped reserves (estimated at 150 to 175 billion barrels) will increase in value faster and therefore are a safer investment than inflation-eroded dollars. Furthermore, they noted that their ambitious \$142 billion 5-year plan for internal development requires a total production rate of only 5½ million barrels per day. Accordingly, they point out that Saudi Arabia already produces some 3 million barrels per day in excess of its own needs to help satisfy the energy import requirements of the United States in particular and the world in general.

In the area of bilateral military relations, Saudi officials are anxious to continue to purchase United States military equipment for what they emphasize are defensive purposes. They premise their arms requests on the need to adequately deter potential aggression against their extensive oil fields from Soviet-influenced neighboring countries equipped with advanced military equipment. In line with these defense security needs, Saudi Arabian officials reminded the study mission of their decision to request F-15's from the United States to replace their aging British-made Lightning fighters. It was emphasized that the F-15 request was made only after a careful scrutiny of their defense requirements and extensive deliberations over the alternatives. The Saudis also assured the study mission that the F-15 would be flown by only Saudi pilots and would not be used for offensive purposes or transferred to any other country. The study mission was told that a United States refusal to sell the F-15 to Saudi Arabia would undermine the trust in the United States by a friendly and strategic country and raise doubts about the consistency of the United States as a reliable supplier. United States refusal would also leave the Saudis no alternative but to purchase similar aircraft from another country.

As to oil prices, Saudi Arabian energy officials pointed out that the oil price freeze proposed by the Saudis and adopted by OPEC in January 1977 averted increased costs of \$2.4 billion for the United States and \$9.6 billion for the other noncommunist oil consuming countries in 1977. Recognizing the positive impact of this decision on world economic stability and growth, Saudi Arabian officials advised the study mission that they would continue to oppose any increases in the price of oil through 1978 despite mounting pressures within OPEC to increase prices at the next OPEC meeting in June 1978.

SUMMARY

The continued maintenance and solidification of United States-Saudi Arabian bilateral relations is based on a variety of mutually beneficial concerns and objectives:

U.S. peace efforts in the Mideast are complemented by Saudi Arabia's commitment to moderation and a comprehensive settlement in the region as exemplified by its substantial financial assistance to Egypt and other Arab countries;

Saudi Arabia's successful efforts to date in maintaining a freeze in the OPEC price of oil has significantly contributed to reducing world inflationary pressures—an objective consistent with U.S. domestic and foreign policy objectives;

Saudi willingness to increase its oil production well above present levels, in spite of the desirability for Saudi Arabia of keeping the oil in the ground, will be crucial to the economic health of the Western World in the 1980's when the world as a whole will be facing an acute shortage of oil;

The U.S. trade deficit is reduced by Saudi Arabian reliance on and encouragement of U.S. investments and services to assist in its internal economic development thereby offering an extensive export market for U.S. businesses;

Saudi Arabian preference to satisfy its legitimate national security defense requirements by purchasing U.S. military equipment complements U.S. foreign policy objectives in the area; and

Saudi Arabia's firm opposition to the spread of communism and Soviet influence complements U.S. policy in the area.

These factors underscore the importance of the United States maintaining its prominence and influence in Saudi Arabia in the future.

JORDAN

INTRODUCTION

During its stay in Jordan from January 11-13, 1978, the study mission had meetings with His Majesty King Hussein, his brother Crown Prince Hasan, President of the Senate Bahjat Talhouni, Jordanian military officials led by General Shakir, and Jordan Valley Authority Deputy Director Munther Haddadin. Ambassador Thomas R. Pickering accompanied the study mission on a field trip through the Jordan Valley to review the effects of U.S. assistance on the agricultural and economic development of the valley. The study mission also visited a Palestinian refugee camp near Amman operated by the U.N. Relief and Works Agency for Palestine Refugees in the Near East.

ATTITUDE TOWARD MIDDLE EAST PEACE

The Jordanian officials emphasized their country's longstanding efforts toward and continued commitment to moderation and stability in the Middle East. Jordanian officials expressed surprise about the timing of President Sadat's initiative but viewed his Knesset speech as a good foundation for a comprehensive settlement which they see as the only basis for a just and lasting peace.

While calling Sadat's initiative "the greatest movement for peace beyond imagination," extreme disappointment was expressed in Jordan with the Israeli response. This response as embodied in the Begin plan was characterized as "totally inadequate and shattering." This point was reinforced by the Jordanian belief that unless constructive and positive Israeli response comes soon, the momentum needed to maintain the talks would not be forthcoming. A breakdown in the talks could seriously jeopardize Sadat's future and severely undermine Jordan's capacity to continue its longstanding commitment to maintain a moderate and pro-Western policy in the area. As seen in Jordan, the lack of such movement by Israel would be "disastrous" to Jordan and Egypt, and could well result in radical Arabs replacing moderate Arabs in several governments coupled with a substantial increase of Soviet influence and control in the Middle East at the expense of the United States and the free world.

Jordan's emphatic position is that Israel must withdraw from presently occupied territories to the 1967 borders and that the right of self-determination be extended to the Palestinians. Incorporation of this position into a general statement of principles agreed upon between Egypt and Israel would enable Jordan to join the talks and thereby substantially increase the prospects of developing a comprehensive agreement.

As to the future of the West Bank, Jordanian officials preferred the establishment of a Palestinian homeland or entity affiliated with

Jordan as opposed to an independent state. These officials also contended that most Palestinians would freely choose such an affiliation if they were allowed to return to the West Bank area.

During its visit, the delegation met with a group of Palestinian leaders of a refugee camp. While citing the plight and misery of the more than one-quarter million Palestinians in refugee camps in Jordan, these leaders emphasized that they live in Jordan "as one family" enjoying the same rights and obligations as Jordanian citizens. Their ultimate goal was to be afforded the opportunity to return to their homes and farms on the West Bank and in Israel.

Claiming that a great majority of Palestinians are moderates and support the Sadat initiative, the refugee leaders were confident that if given the chance most Palestinians would respond "in a moderate fashion" to the opportunity of self-determination. Without that chance, they predicted "great dangers" and a growing Soviet influence among the Palestinians. Finally, while they currently consider Arafat their leader, they predicted less of an inclination by Palestinians "to look toward an individual" as progress in the peace process is demonstrated.

BILATERAL RELATIONS

For 25 years, the United States has had an extensive economic and military relationship with Jordan.

The resultant influx of some additional 300,000 Palestinian refugees into Jordan after the 1967 war (in addition to the 740,000 refugees already there) reversed a declining level of U.S. economic assistance. This assistance was subsequently resumed at significant levels and presently is viewed by Jordanian officials as playing a key role in the future economic and agricultural development of that country.

One of the focal points in U.S. economic assistance is the Jordan Valley, the richest potential source of agricultural production in the country. U.S.-funded irrigation projects in the valley have already resulted in increasing irrigated land by some 30,000 acres, about one-third of the total land to be irrigated in the valley. Coupled with other U.S.-financed programs affecting transportation, agricultural modernization, and the development of Jordan's potash industry, U.S. assistance programs have made a significant contribution toward Jordan's economic development. The continuation of such U.S. aid will substantially enhance the prospects of the valley becoming a "breadbasket" for all of Jordan as well as to attract Jordanians in overpopulated urban areas such as Amman to work and live in the valley.

Jordanian officials emphasized the need for continued U.S. grant support to offset the country's large and increasing deficit (\$874 million in 1976). Reliance on U.S. budget support should lessen as other sources (chiefly Arab) of financial aid become available and the economic success of the Jordan Valley continues.

The United States has been Jordan's main supplier of military assistance and training since 1950. Jordanian military officials expressed strong satisfaction with this relationship, indicating that their defense-oriented military contributes to modernization and stability in the area. After Israel, Communist-inspired revolutionary Arabs and Palestinian guerrillas (in Lebanon, Syria, and Iraq) are

perceived by Jordanian officials as the greatest threats to Jordan's security. Jordanian military officials project that future U.S. military assistance will be used to complete the development of an air defense program and modernization of the 67,000-man armed forces.

SUMMARY

The United States and Jordan have enjoyed an uninterrupted and mutually beneficial relationship since the 1950's which has assured the United States the friendship and cooperation of a Western-oriented and moderate country in the volatile Middle East area.

Jordan's moderate influence has been more recently demonstrated by its recognition of the unique opportunity for peace with Israel which could result from President Sadat's initiative, despite its misgivings over the lack of prior consultation.

While Jordan may be willing to join the peace talks, its reluctance centers on the lack of Israel's acceptance to date of the principles embodied in the Sadat initiative.

Jordan is also playing an important conciliatory role by improving economic relations with Syria in the belief that keeping the lines of communication open to both states is important in eventually reaching a comprehensive peace.

Finally, over the past 5 years, Jordan has pursued closer ties with other Arab countries, contributing its high level of technical expertise to development and military programs in some of the moderate gulf states.

IRAN

INTRODUCTION

The study mission's visit to Iran was made on January 13 to 15. In addition to lengthy and frank discussions with the Shah and several leading Government officials in Tehran, the delegation also made a firsthand inspection of Khatami Airbase near Isfahan. Supplementing these intensive efforts were briefings from U.S. Ambassador William H. Sullivan, Maj. Gen. Philip C. Gast, Chief of Armish/MAAG, and Embassy staff. The full and candid exchange between members of the delegation and Iranian officials included the current peace negotiations in the Mideast as well as various United States-Iranian bilateral issues. The major points which developed out of those discussions included the following:

ATTITUDE TOWARD MIDEAST PEACE

Building on the basic view that all countries of the area would benefit from a Mideast peace, Iranian officials express grave apprehension if the current negotiations fail. Iran has taken an active but low-profile role in trying to bring the sides together. Briefly, Iranian officials believe that President Sadat has "gone out of his way to meet Israel's demands" and describe Israel's current position as "absolutely incomprehensible." As seen by Iran, the failure of the negotiations could result in Sadat resigning or being overthrown and also push Syria to a more extreme position. Iranians report that their overtures to Israel to be more forthcoming have as yet gone unanswered. When asked if Iran would ever consider withholding oil from Israel as a means of bringing pressure to bear, the Iranian answer was that such a move would be beneficial to the negotiations "only if the action was taken in parallel with similar U.S. action."

On the question of Israeli settlements in the occupied territories, officials in Iran register clear disapproval. In addition to endorsing President Carter's position that the settlements are illegal under international law, they say flatly that no Arab country could accept the settlements, particularly if accompanied by an Israeli military security presence. Finally, they express wonderment over how Israel could feel threatened in view of the security measures which could be provided.

An independent Palestinian state, according to Iranian officials, would become a "great danger" in that it would likely be led by radical leadership strongly influenced by the Soviet Union. As viewed in Iran, an independent Palestinian state would probably align with Syria and Iraq, be destabilizing to Kuwait and Saudi Arabia, and ultimately result in the demise of Jordan. To offset those anticipated dangers, officials in Iran argue that any Palestinian entity should be affiliated with Jordan.

BILATERAL RELATIONS

U.S. military assistance to Iran and Iran's oil exports to the United States are the most significant elements in United States-Iranian relations.

That fact is reflected in the \$5.8 billion in U.S. arms sales to Iran during fiscal year 1977. Most recently, Iran has contracted to purchase 160 F-16 aircraft and has plans to ask for an additional 140 for a total estimated cost of \$3.8 billion. Iranian officials with whom the delegation discussed the F-16 question defend their choice of the aircraft as necessary and right for their own self-defense. While conceding the advanced and sophisticated nature of the F-16, these officials argue that it is a "proper response" to the intensified and serious threat presented by the introduction of equally advanced Soviet military equipment into Syria and Iraq. They reject any challenge to their absorbcency capability for the F-16 by citing the Iranian Air Force's low accident rate and high performance rate on aircraft already in their inventory. They further argue that despite its high cost, the F-16 is an economically advantageous choice for Iran in the final analysis because support for it is more readily available than for older, less sophisticated aircraft. Finally, Iranian officials defend their intensified arms requests to the United States on the principle that the United States can have an unshakable military alliance only with a country willing and able to defend itself.

Currently, 10 percent of U.S. oil imports come from Iran; Iran also supplies 16 percent of Western Europe's, almost 24 percent of Japan's, and more than 70 percent of Israel's oil imports. Oil exports will earn Iran about \$21 billion in the current Iranian year. Iranian officials, recognizing the country's finite petroleum resources, reported that Iran will be able to produce at its current rate of approximately 6 million barrels per day until only 1992, and that the country's supply will be exhausted by the year 2000. Further, officials reflected a strong commitment to divert increasingly greater percentages of Iran's remaining oil resources to petrochemical uses. They also emphasized the need for a more intensive commitment in the United States to the development of alternative energy sources, particularly for heating purposes.

A variety of pressures created by several years of spectacular economic growth have resulted in a decision to slow down development plans next year by 7½ percent. Among the problems troubling Iran today is a 15-to 20-percent inflation rate, serious housing shortages exacerbated by heavy rural migration to the cities, slowdowns in industrial expansion resulting in large part from inadequate electricity production, and a wage inflation rate nearing 26 percent annually caused primarily by business and government competitively bidding for an inadequate base of trained and trainable personnel.

On the question of human rights and the treatment of political prisoners, the delegation was advised of a reported recent decline in the heavyhanded tactics and torture methods used in Iran in the past. The study mission noted its approval of these reports and anticipates continued and consistent progress. Officials stressed that human rights must be seen and understood in terms of Iran's unique national character, status, and needs. More specifically, they point to the need

for strong leadership and discipline as essential prerequisites to their security and to their national building program. In an effort to eliminate the economic and social deprivations on which communism breeds, they also contend that human rights in Iran means providing for the individual's economic and personal welfare in such basic areas as food, clothing, education, health, and decent housing.

The Iranian Government registered grave apprehension over recent developments in the Horn of Africa. In an effort to offset the mounting Soviet-Cuban military role in Ethiopia, Iranian officials urged, at a minimum, intensified U.S. efforts to initiate negotiations between Somalia and Ethiopia. As an expression of their greater concern that the current Soviet foothold in Ethiopia may spread throughout the Red Sea and Indian Ocean areas, officials said that if Ethiopia attacks and crosses Somali borders "we would not be able to remain indifferent." Iran has already provided Somalia with limited amounts of Iranian-produced small arms and ammunition.

Iran's relations with Iraq and the Soviet Union are now relatively stable. However, officials reflect a strong mistrust of Soviet intentions and argue that Communist aims will never change although their tactics and style may. To offset those fears and suspicions Iran's leaders believe they must be strong enough militarily to deter adventure and aggression. At the same time, they expressed no resistance to the idea of the United States exploring the possible resumption of diplomatic relations with Iraq.

SUMMARY

Politically, militarily, and in relative terms of population, education, and skills, Iran is the most powerful state in the Persian Gulf region. The country's importance is further highlighted by its strategic geographic position, including its position on the Strait of Hormuz (through which passes some 60 percent of the world's international trade in oil). Under the dominant and exclusive control of the Shah's leadership, Iran remains staunchly pro-West.

U.S. policy objectives for Iran center on assuring the continued availability of Iranian oil at reasonable prices. In addition, U.S. aims include strengthening Iran as a deterrent to possible Iraqi and Soviet aggression and supporting Iran in its determination to provide (along with Saudi Arabia) political stability, economic development, and regional cooperation throughout the area.

ISRAEL

INTRODUCTION

The study mission arrived in Israel January 15, 1978, on the eve of the first political committee meeting between Israel and Egypt. During its 4-day stay in Israel the study mission met with Prime Minister Menachem Begin, Deputy Prime Minister Yigael Yadin, Minister of Defense Ezer Weizman, Chairman of the Labor Party Shimon Peres, Labor Party Member Abba Eban, Chairman of Knesset Foreign Affairs and Defense Committee Prof. Moshe Arens, and other officials in the ministries of finance and banking. While in Israel the study mission was also briefed extensively by senior Embassy officials led by Ambassador Samuel W. Lewis and on January 17 met with Secretary of State Cyrus Vance to discuss the status of the Middle East political talks between Israel and Egypt. Various members of the delegation also inspected areas of the Sinai, the Golan Heights, the West Bank, the "Good Fence"¹ at Metulla and conferred with some of the mayors of the larger cities in the West Bank.

ATTITUDE TOWARD MIDDLE EAST PEACE

Like many Americans and Egyptians the Israeli people enthusiastically accepted President Sadat's gesture and visit to the Knesset last November as the first genuine opportunity for peace in the Middle East in 30 years. In the same vein, Prime Minister Begin's response to Sadat's initiative at Ismailia was also widely acclaimed and supported by most Israelis. The Israeli response became embodied in what became known as the 26-point Begin plan.²

In describing his plan to the delegation, Mr. Begin contended that it offered a good foundation upon which a negotiated settlement could be based. He argued that the Begin plan contained significant concessions, the extent and importance of which Egypt has still failed to recognize or accept. While deeply concerned over what he views as President Sadat's lack of understanding of Israel's security requirements, Begin assured the delegation that he wants the peace process to continue. While there was near unanimous opinion within the Israeli Government to maintain the momentum toward a negotiated settlement, differences of opinion over style and substance were expressed by various Israeli officials.

¹ During the course of the delegations' visit to Israel, some of the members traveled to inspect the "Good Fence" at Metulla, along the Israeli-Lebanon border.

The "Good Fence" has been an open corridor for the Christian Lebanese who come to Israel for medical care, food and employment.

A Christian Lebanese military commander advised the delegation "that there is no longer a Palestinian refugee problem in Lebanon * * * the Palestinians are the Lebanese Government."

The Israeli Government has been providing assistance to the Christian Lebanese in south Lebanon.

² A copy of the proposal appears in the appendix 2, p. 36.

In the Sinai, officials noted that except for two Israeli airfields, Israel is prepared to withdraw its military forces over several years. They also contend that the existing civilian Jewish settlements must be allowed to stay after Israeli military forces are withdrawn. These strategically positioned civilian settlements combined with the two airfields would, in the Israeli's perception, be an effective deterrent to future outbreaks of conflicts.

As to the West Bank area, the Begin plan offers self-rule to the Arab civilian inhabitants while retaining the Jewish civilian settlements and Israeli military presence in the area to satisfy what Israel regards as its legitimate security requirements. The essence of the plan as described by Israeli officials is "autonomy to the Palestinian Arabs and security to the Palestinian Jews." In proposing self-rule, the Israeli Government remains adamantly opposed to granting self-determination to the Palestinians. Self-determination according to Israeli officials, inevitably means an independent Palestinian state which "will turn into a Soviet base" and be a "mortal danger" to Israel. The plan does not address the issue of sovereignty in the West Bank leaving it unresolved. Further, Israel proposes to retain control over immigration.

Although critical of the extended cabinet debate on the eventually defeated proposal to build new civilian settlements in the Sinai, opposition Israeli leaders were generally supportive of Begin's position on the Sinai. As to the West Bank, however, some Israeli opposition leaders significantly differed with the Begin plan. They do not see the necessity of retaining permanent Israeli military control in the West Bank. Rather, they suggested that after an interim period of several years, Israeli military forces could be withdrawn and a new arrangement on the West Bank negotiated. Such an arrangement would involve the establishment of permanent borders including territorial concessions to the Palestinians resulting in some type of Jordanian "trusteeship" over the West Bank area. This stands in contrast to the Begin plan which calls for permanent Israeli military presence in the West Bank to defend the Jewish settlers in the civilian settlements.

As of January 1978, there were more than 90 recognized settlements within the occupied territories. They are located as follows: 27 on the Golan Heights, 7 in the Gaza Strip; 13 in the Sinai; and, 44 on the West Bank, 17 of which are in the Jordan River Valley. A total of 10,500 Jewish settlers live in the settlements, of which approximately 5,000 are in the West Bank. In addition, there are another 50,000 Jewish settlers in and around East Jerusalem which Israel purported to annex in 1967. Finally, as of January 1978, a group of Gush Emunim³ settlers have started the construction of a new camp at Shilo in the West Bank. While the Israeli Government has authorized the camp only for archeological purposes, the Gush Emunim settlers there view

³ Gush Emunim (Bloc of the Faithful) is a political movement with a religious underpinning. Its members, drawn from a composite group of diverse origins, profess a deep attachment to the Land of Israel for religious, cultural, and historic reasons. In relation to settlements in the occupied territories, Gush Emunim maintains they are necessary in order to protect Israel's security, economy and national interest. The organization works on the fundamental religious belief that the West Bank area is an integral part of the historic Land of Israel. It therefore maintains that the entire area of the West Bank must be open to Jewish settlement on the assumption that the area eventually should be incorporated into Israel.

it as a new permanent settlement indicating that they "plan to stay under any conditions."

Israeli Government officials are committed to the development of a negotiated settlement that would enable them to guarantee their own security, to retain their civilian settlements, and to retain a military presence in the West Bank while offering self-rule to the Arab inhabitants. Israeli officials were unanimous in their belief that the negotiations would necessarily be long and arduous. In addition, others indicated that concessions by both sides would be needed to achieve a just and lasting peace.

BILATERAL RELATIONS

Israeli officials expressed their deep appreciation to the American people for the \$11 billion—almost one-half in the form of grants—of U.S. aid extended to Israel between 1949 through 1977. With the help of an industrious population, Israel's economic growth has been among the world's largest, averaging almost 10 percent a year from 1948 through 1973.

Israeli officials noted however that following the 1973 war, there has been no real growth in the annual GNP and their balance of payments has taken a sharp turn for the worse with the current deficit having more than tripled from \$1 billion to some \$3 billion per year. This development coupled with limited natural resources and manpower has frustrated attempts to reduce the rate of inflation which was 40 percent in 1977. In addition, Israel has the highest per capita tax rate in the world manifested by the fact that domestic taxes account for 65 percent to 70 percent of its gross domestic product (GDP). This is compared to 44 percent for Sweden and 31 percent for the United States.

Noting that financing the \$3 billion deficit—30 percent of which is defense related—is probably the central economic problem facing the Israeli Government, economic officials emphasized Israel's continued reliance on substantial U.S. assistance. In fiscal year 1978, U.S. assistance to Israel totaled \$1.8 billion. The only other major government donor to Israel, Germany, provides annually about \$300 million in personal restitution payments and \$50 million in long-term loans.

As to the future of the United States continuing to be Israel's predominant arms supplier, Israeli officials pointed out that even with a peace settlement, Israel will continue to need extensive and sophisticated U.S. military equipment. These would include advanced fighter airplanes, electronic warning systems, radars, and advanced communications equipment. Israeli officials indicated that their best chance of reducing defense expenditures would be a reduction in the compulsory 3-year military term and 1-month-per-year reservist duty required by all able Israeli citizens until age 55. Israeli officials projected that such developments coupled with a negotiated peace could result in a considerable decline in the present levels of U.S. economic aid after 1980 to be followed in subsequent years by reductions in U.S. military aid.

SUMMARY

Continued staunch opposition in Israel to an independent Palestinian state in the West Bank is premised on the Israeli belief that such a state would pose a direct threat to the security of Israel because it would inevitably be controlled by radical Arab elements committed to the destruction of Israel and prone to Soviet control.

A 30-year history of conflict with the Arab world exemplified by five wars and terrorist activities has convinced the Israeli Government of the necessity to provide adequate security measures against future military threats. While seeking continued substantial economic assistance and advanced military equipment from the United States to assure this objective, the Israeli Government has no intention of relying on other than their own armed forces.

As was the case in Egypt and other frontline Arab States, the delegation detected a genuine desire by the Israeli people for a permanent and just peace. There was also a realization that a rise in Arab radicalism and Soviet influence resulting from a failure of the current negotiations would increase security threats against Israel. Such a renewed state of belligerency would also be at the expense of the spirit of the Israeli people and compound their economic problems.

A comprehensive agreement would satisfy the Israeli people's strong desire for peace and halt the growing adverse effect of maintaining a large military budget at the expense of Israel's economic well-being. U.S. interests and that of the world would be best served in encouraging the development of such an agreement.

IRELAND

INTRODUCTION

The last stop on the study mission was in Dublin, Ireland, where meetings were held with Prime Minister Jack Lynch, Minister for Foreign Affairs Michael O'Kennedy, Hon. Garret FitzGerald, former Foreign Minister and currently leader of the main opposition party—the Fine Gael—and other Government officials. The major purpose of these meetings was to ascertain the attitude and position of the Republic of Ireland toward the situation in Northern Ireland and the role that the United States should play in that area of the world. As a result of those talks the following emerged:

THE BRITISH PRESENCE IN NORTHERN IRELAND

The Irish leadership stated that Northern Ireland is under the direct rule and military control of the United Kingdom and that the continued presence of the British is essential to the peace and security of Northern Ireland at the present time.

In this connection, the leaders also stated that while the Government of Ireland had not specifically asked the United Kingdom to withdraw its forces from Northern Ireland, it did request that Government to announce its intention to eventually disengage. They stated that such an expression of intent would materially contribute to peace in Ireland.

Irish leaders contend that most Irish would oppose a precipitous withdrawal of British forces on the grounds that it would lead to chaos and violence in Northern Ireland. The resulting vacuum, they said, would be attractive to the Soviet Union. Moreover, the point was made that such a development would create a serious security problem for the British and for its North Atlantic Treaty allies.

Both the Government of Ireland and the United Kingdom recognize that there will be no solution to the problem in the north until the violence and terrorism end. Therefore, there is close cooperation between the two Governments in the security area, particularly along the border between the two Irelands.

The leaders with whom the study mission met are agreed that the eventual goal should be the reunification of Ireland. They recognize, however, that reunification cannot be imposed and that it can only come about with the consent of all the people of Northern Ireland and the cooperation of the United Kingdom.

Irish leaders emphasize, however, that reunification depends upon the consent of the people of Northern Ireland. It is, therefore, essential that the sizable portion of the area's population desiring continued union with Great Britain must be convinced that their economic, political, religious, and other rights will be guaranteed. At the present

time the Unionists oppose any political tie with the Republic of Ireland.

While it is recognized that reunification is a long-range objective the opinion is that the British Government would remove a major obstacle to peace in the North if that Government would now adopt a policy calling for the eventual reunification of Ireland and the eventual withdrawal from Ireland.

Meanwhile the Irish Government would support as an interim solution a form of devolved administration with power sharing in Northern Ireland.

BILATERAL RELATIONS

The Government of Ireland is satisfied with the relationship that exists between the United States and Ireland, and appreciates U.S. interest in the well-being of the Irish people whether they reside in the North or in the South.

The leaders with whom the study mission met were unanimous in pointing out, however, that much of the assistance given by private Irish-American groups and individuals for humanitarian purposes in Northern Ireland has been misdirected to the purchase of weapons and that these arms continue to be used for terrorist activities against innocent people. Consequently, in their view, instead of helping to resolve the problem, some well-meaning Americans were unknowingly helping to perpetuate violence and terrorism.

All leaders were particularly critical of the Irish Northern Aid Committee and the Irish National Caucus as two organizations which had raised money in the United States ostensibly for humane purposes. This money was used, however, to buy arms. Irish leaders were unanimously emphatic in insisting that such assistance should stop.

In support of this view they noted that even an interim settlement in Northern Ireland was impossible as long as the violence continues.

In this same connection the Government emphasized its support and approval of the statement¹ issued on St. Patrick's Day, 1977, by Speaker of the House Thomas P. O'Neill, Senators Edward M. Kennedy and Daniel Patrick Moynihan, and Governor Hugh D. Carey of New York, appealing for an end to the violence and indicated that this is the approach that the United States should take with respect to the situation in Northern Ireland.

The Government also welcomed the position taken by President Jimmy Carter on August 30, 1977,² in which he asked all Americans to refrain from providing financial or other aid to organizations whose involvement, "direct or indirect, in the violence delays the day when the people of Northern Ireland can live and work together in harmony, free from fear." Irish leaders also welcomed the President's offer to join with others to see how additional job-creating investment could be encouraged, to the benefit of all of the people of Northern Ireland once a settlement had been reached.

¹ For text, see appendix 5, p. 41.

² For text, see appendix 6, p. 42.

On the subject of congressional hearings on the situation in Northern Ireland the individuals with whom the study mission met were firm and united in their disapproval of such action. Such hearings, they stressed, would exacerbate the situation and not contribute to a solution of the problem. They also argued that hearings would constitute an intervention into the internal affairs of Ireland. Furthermore, we were told that hearings would be against the interest of the Irish people in that they would be used by provisional IRA terrorists to rally support for their cause. This in turn would encourage continued violence and bloodshed.

SEPARATE VIEWS OF CONGRESSMEN DANTE B. FASCELL, JONATHAN B. BINGHAM, AND BENJAMIN A. GILMAN

The delegation's report accurately describes the history of the study mission and in general fairly summarizes what was said by officials of the countries visited.

The problems we have with the report relate to some of the observations and conclusions set forth. We realize that it is impossible for a report of this sort to be written in such a way as to express accurately the views of all the members of a fairly large delegation. If charged with writing the report, each of us would no doubt have done it differently, with varying points of emphasis, et cetera.

Beyond that, however, there are certain observations and conclusions with which we cannot agree. For example, we do not believe the delegation acquired evidence to justify the statement that Prime Minister Begin's domestic political situation would permit him to be "more accommodating"; we believe that it is a misuse of the specialized term "settlers" to apply it to Jews living in those parts of Jerusalem which the State of Israel has proclaimed to be annexed; we believe the paragraphs with regard to Jordan's attitude toward the Sadat initiative are overly influenced by Jordan's past record of moderation and do not reflect the hard line with respect to the West Bank which King Hussein is currently taking.

THE VIEWS OF CONGRESS
ON THE
FEDERAL JUDICIAL SYSTEM
IN 1890

The views of Congress on the Federal Judicial System in 1890 were largely shaped by the growing concern over the efficiency and cost of the courts. The Judiciary Committee, in its report on the proposed amendments to the Federal Judiciary Act, expressed a strong belief in the necessity of reform. It pointed out that the existing system was "burdened with a mass of business which it is unable to handle with dispatch and economy." The committee recommended a series of changes, including the reorganization of the circuits, the reduction of the number of judges, and the improvement of the methods of selecting judges. These recommendations were based on a thorough study of the operations of the courts and a desire to bring about a more economical and efficient system.

The views of Congress on the Federal Judicial System in 1890 were also influenced by the growing public interest in the courts. The press and the people were becoming more and more concerned with the delays and expenses of the judicial process. This public opinion was reflected in the actions of Congress, which was anxious to bring about reforms that would satisfy the public demand for a more efficient and economical system. The committee's report was a direct response to these public concerns and a reflection of the prevailing sentiment of the time.

APPENDIX 1

ITINERARY

SPECIAL STUDY MISSION TO THE MIDDLE EAST

(Times shown are local times)

Monday, January 2, 1978

Departed Andrews Air Force Base 9:00 a.m.

Tuesday, January 3, 1978

Arrived Tunis 2:00 a.m.

Briefing by U.S. Ambassador, Hon. Edward W. Mulcahy.

Meeting with Prime Minister Hedi Nour.

Audience at the Presidential Palace, Carthage, with President Habib Bourguiba.

Also present was his son, Habib Bourguiba, Jr.

Visited enroute to Presidential Palace the North Africa American Cemetery and Memorial, guided by its superintendent, Pedro Rivera.

Working lunch, hosted by the Minister of Foreign Affairs and Mrs. Mohamed Fitouri, at La Baie des Singes, during which met Tunisian leaders.

Meeting with members of the National Assembly. Discussion with President of the Assembly, Sadok Mokaddem. Also present and answering questions was their Secretary of State, Brahim Turki.

Meeting with Minister of Foreign Affairs, Mohamed Fitouri.

Meeting with Defense Minister Abdallah Farhat.

Working dinner, hosted by Prime Minister Hedi Nour, at Dar Maghrebia Carthage, during which met other officials and leading citizens.

Wednesday, January 4, 1978

Departed Tunis 10:00 a.m.; arrived Damascus, Syria, 2:30 p.m.

Briefing at hotel by U.S. Ambassador, Hon. Richard William Murphy. Also present, Gordon B. Ramsey, AID Director, Syria.

Meeting with Minister of Economy and Foreign Trade Muhammad al-Imadi.

Working buffet reception hosted by U.S. Ambassador and Mrs. Murphy at Ambassador's residence, during which met Syrian leaders and Embassy staff.

Thursday, January 5, 1978

In Damascus.

Meetings at Peoples Council Chamber with—

Committee on Arab and Foreign Affairs, Dr. Muhsin Bilal, President.

Speaker of the Peoples Council, Muhammad Ali al-Halabi.

Meeting at Ministry of Foreign Affairs with Foreign Minister 'Abd al'Halim Khaddam.

Working dinner at the Orient Club hosted by President of Peoples Council's Committee on Arab and Foreign Affairs, Dr. and Mrs. Bilal.

Friday, January 6, 1978

In Damascus.

Field trip to Qnaytra.

Meeting with President Hafiz al-Assad.

Departed Damascus for Cairo 1:00 p.m. Arrived Cairo, Egypt, 4:20 p.m.

Briefing at American Embassy by U.S. Ambassador, Hon. Hermann Frederick Eilts.

Briefing by AID Director Donald Brown and Defense Attaché Brig. Gen. James Pfautz.

Tea and briefing, American University in Cairo, by Acting President Dr. Thomas A. Lamont. Other members of the staff and faculty were present and answered questions also.

Saturday, January 7, 1978

In Egypt, departed Cairo by bus for Aswan.

In Aswan, met with President Anwar al-Sadat. Prior to his arrival, met with Lt. Gen. Mohamed Abdel Ghani al Gamasy, Deputy Prime Minister and Minister of War and War Production.

Viewed High Dam and Lake Nasser enroute.

Sunday, January 8, 1978

In Cairo.

Meeting with Prime Minister Mamduh Salem.

Meeting with Speaker of the People's Assembly Sayyid Mar'i.

Meeting with Deputy Prime Minister for Economic and Financial Affairs and Minister of Planning, Abd al-Munim Mahmud al Kaissouni.

Working reception at Tahrir Club hosted by the Speaker of People's Assembly, Sayyid Mar'i.

Monday, January 9, 1978

Departed Cairo 10:00 a.m.; arrived Riyadh, Saudi Arabia, 1:45 p.m.

Briefing by U.S. Ambassador, Hon. John C. West at the hotel.

Briefing by Brig. Gen. Carl Cathey, Chief, U.S. Military Training Mission.

Meeting with His Royal Highness Crown Prince Fahd at Maather Palace.

Working dinner hosted by Minister of Commerce, Dr. Suleiman Solaim, during which met with other officials.

Tuesday, January 10, 1978

In Riyadh.

Working breakfast meeting with U.S. business community hosted by the U.S. Ambassador.

Meeting with Deputy Minister of Planning, Dr. Feisal Bashir.

Meeting with Deputy Minister of Defense and Aviation, Prince Turki ibn Abd al Aziz.

Field trip to Dhahran; aerial view of oil installations and discussion of oil and energy situation with Aramco officials.

Meeting with Minister of Petroleum and Mineral Wealth, Ahmad Zaki Yamani.

Wednesday, January 11, 1978

Departed Riyadh 10:30 a.m.; arrived Amman, Jordan, 11:35 a.m.

Visit to Marka Refugee Camp—tour of camp; meeting with refugees and A.R. Jarrar, Under Secretary of the Ministry of Development and Reconstruction; also, John Tanner, Director of UNRWA/Jordan.

Briefing at American Embassy by U.S. Ambassador, Hon. Thomas R. Pickering.

Meeting with Crown Prince Hasan ibn Talal.

Working dinner hosted by Ambassador and Mrs. Pickering, during which met with Embassy staff.

Thursday, January 12, 1978

In Amman.

Meeting with General Zayd bin Shakir, Commander in Chief of Jordan Armed Forces; Major General Abd al-Hadi al-Majali, Assistant Chief of Staff, Operations and Colonel Abed al Majied, Director of Military Intelligence.

Meeting with Members of Senate: statement by and discussions with Bahjat Talhouni, President of the Senate.

Field trip to Jordan Valley Authority and briefing thereon by the Deputy Director of the Authority, Dr. Munther Haddadin.

During trip, viewed the Golan Heights, Lake Tiberias and the West Bank; also the Maqarin Dam site. Lunched at the Jordan Valley Rest House.

Meeting with King Hussein ibn Talal.

Working dinner at the Hussein Sport City Hall hosted by the President of the Senate, Bahjat Talhouni, during which met other Jordanian officials.

Friday, January 13, 1978

Departed Amman 11:50 a.m.; arrived Tehran 4:10 p.m.

Briefing by U.S. Ambassador, Hon. William H. Sullivan at the Ambassador's residence.

Working dinner (buffet) hosted by U.S. Ambassador and Mrs. Sullivan at their residence, during which met Iranian officials and leaders as well as Embassy staff.

Saturday, January 14, 1978

In Tehran.

Meeting with Minister of the Imperial Court, Amir Abas Hoveyda at Saadabad Palace.

Audience with His Imperial Majesty Mohammad Reza Pahlavi at Niavaran Palace.

Working lunch with His Imperial Majesty.

Meeting with General Hasan Tufanian, Vice Minister of War, at Military Industries Organization.

Meeting with General Gohlan-Reza Azhari, Chief, Supreme Commander's Staff.

Working dinner hosted by the Undersecretary for Political and Parliamentary Affairs, Manuchehr Zelli and Mrs. Zelli during which met Iranian leaders and officials.

Sunday, January 15, 1978

In Tehran.

Field trip to Khatami Air Base, Isfahan, where we were briefed by the Base Commander and inspected the base facilities.

Departed Tehran 1:00 p.m.; arrived Tel Aviv 2:30 p.m.

Press interview.

Briefing by U.S. Ambassador, Hon. Samuel W. Lewis, at Avia Hotel near Tel Aviv.

Departed by bus for Jerusalem 4:00 p.m.; arrived at 5:30 p.m.

Meeting with Prime Minister Menachem Begin.

Working dinner hosted by Deputy Prime Minister Yigael Yadin at Plaza Hotel.

Monday, January 16, 1978

In Jerusalem.

Visited Yad Vashem, Martyrs' and Heroes' Memorial; also visited Bethlehem.

Working lunch at Hebrew University, hosted by Professor Moshe Arens, Member of the Knesset, Chairman of Defense and Foreign Affairs Committee, after which Prof. Arens made statement and there was a discussion.

At the Knesset, meeting with—

Minister of Defense, Ezer Weizman.

Deputy Finance Minister Yehezkel Flumin, Deputy Governor of the Bank of Israel Dr. E. Shefer; E. Dovrat, Adviser to the Minister of Finance; Y. Lifschitz, Economic Adviser, Minister of Defense; Dan Halpern, Deputy Director General for International Affairs, Ministry of Finance; and Annon Noibach, Deputy Director of the Budget.

Chairman of the Israel Labor Party, Shimon Peres, and Abba Eban, former Ambassador to the U.S. and Labor Member of the Knesset.

Meeting with Mayor of Jerusalem, Mr. Teddy Kollek, at the Israel Museum, after which saw the Dead Sea Scrolls.

Meeting with Mayors of the West Bank in Bethlehem.

Tuesday, January 17, 1978

In Jerusalem.

Field trips:

1. Sinai Field Mission.

2. Golan Heights; also visited Kibbutz Gonen and "Good Fence" at Metulla.

3. West Bank.

Meeting with U.S. Secretary of State Cyrus Vance at the Hilton Hotel.

Working dinner at the Hilton Hotel hosted by Prime Minister Menachem Begin in honor of participants in the Peace Talks—Political Committee.

Wednesday, January 18, 1978

Departed Israel 10:00 a.m.; arrived Dublin, Ireland 1:50 p.m.

Meeting with Prime Minister John (Jack) Lynch.

Meeting with Minister for Foreign Affairs Michael O'Kennedy and Assistant Secretary Donlon (Senior Advisor on Northern Ireland.)

Working dinner at Iveagh House hosted by the Foreign Minister and Mrs. O'Kennedy.

Thursday, January 19, 1978

In Dublin.

Meeting with former Foreign Minister Garret Michael FitzGerald at the Dail (Irish House of Parliament).

Working lunch hosted by U.S. Ambassador and Mrs. William V. Shannon at their residence.

Friday, January 20, 1978

Departed Dublin 9:30 a.m.; arrived Andrews Air Force Base 2:40 p.m.

APPENDIX 2

TEXT OF THE ISRAELI PLAN FOR THE OCCUPIED WEST BANK OF THE JORDAN RIVER AND THE GAZA STRIP OFFERED BY PRIME MINISTER MENACHEM BEGIN, DECEMBER 28, 1977

SELF-RULE FOR PALESTINIAN ARABS, RESIDENTS OF JUDAEA, SAMARIA AND THE GAZA DISTRICT, WHICH WILL BE INSTITUTED UPON THE ESTABLISHMENT OF PEACE

The following programme was submitted by Prime Minister Begin to President Sadat, as announced by Mr. Begin in the Knesset on 28 December 1977:

1. The administration of the Military Government in Judaea, Samaria and the Gaza district will be abolished.

2. In Judaea, Samaria and the Gaza district, administrative autonomy of the residents, by and for them, will be established.

3. The residents of Judaea, Samaria and the Gaza district will elect an Administrative Council composed of eleven members. The Administrative Council will operate in accordance with the principles laid down in this paper.

4. Any resident, 18 years old and above, without distinction of citizenship, or if stateless, will be entitled to vote in the elections to the Administrative Council.

5. Any resident whose name is included in the list of candidates for the Administrative Council and who, on the day the list is submitted, is 25 years old or above, will be entitled to be elected to the Council.

6. The Administrative Council will be elected by general, direct, personal, equal and secret ballot.

7. The period of office of the Administrative Council will be four years from the day of its election.

8. The Administrative Council will sit in Bethlehem.

9. All the administrative affairs relating to the Arab residents of the areas of Judaea, Samaria and the Gaza district will be under the direction and within the competence of the Administrative Council.

10. The Administrative Council will operate the following Departments—

(a) The Department of Education;

(b) The Department of Religious Affairs;

(c) The Department of Finance;

(d) The Department of Transportation;

(e) The Department for Construction and Housing;

(f) The Department for Industry, Commerce and Tourism;

(g) The Department of Agriculture;

(h) The Department of Health;

(i) The Department for Labour and Social Welfare;

(j) The Department for Rehabilitation of Refugees;

(k) The Department for the Administration of Justice and the Supervision of Local Police Forces;

and promulgate regulations relating to the operation of these Departments.

11. Security and public order in the areas of Judaea, Samaria and the Gaza district will be the responsibility of the Israeli authorities.

12. The Administrative Council will elect its own chairman.

13. The first session of the Administrative Council will be convened 30 days after the publication of the election results.

14. Residents of Judaea, Samaria and the Gaza district, without distinction of citizenship, or if stateless, will be granted free choice (option) of either Israeli or Jordanian citizenship.

15. A resident of the areas of Judaea, Samaria and the Gaza district who requests Israeli citizenship will be granted such citizenship in accordance with the citizenship of the State.

16. Residents of Judaea, Samaria and the Gaza district who, in accordance with the right of free option, choose Israeli citizenship, will be entitled to vote for, and be elected to, the Knesset in accordance with the election law.

17. Residents of Judaea, Samaria and the Gaza district who are citizens of Jordan or who, in accordance with the right of free option will become citizens of Jordan, will elect, and be eligible for election to, the Parliament of the Hashemite Kingdom of Jordan in accordance with the election law of that country.

18. Questions arising from the vote to the Jordanian Parliament by residents of Judaea, Samaria and the Gaza district will be clarified in negotiations between Israel and Jordan.

19. A committee will be established of representatives of Israel, Jordan and the Administrative Council to examine existing legislation in Judaea, Samaria and the Gaza district, and to determine which legislation will continue in force, which will be abolished, and what will be the competence of the Administrative Council to promulgate regulations. The rulings of the committee will be adopted by unanimous decision.

20. Residents of Israel will be entitled to acquire land and settle in the areas of Judaea, Samaria and the Gaza district. Arabs, residents of Judaea, Samaria and the Gaza district who, in accordance with the free option granted them, will become Israeli citizens, will be entitled to acquire land and settle in Israel.

21. A committee will be established of representatives of Israel, Jordan and the Administrative Council to determine norms of immigration to the areas of Judaea, Samaria and the Gaza district. The committee will determine the norms whereby Arab refugees residing outside Judaea, Samaria and the Gaza district will be permitted to immigrate to these areas in reasonable numbers. The rulings of the committee will be adopted by unanimous decision.

22. Residents of Israel and residents of Judaea, Samaria and the Gaza district will be assured freedom of movement and freedom of economic activity in Israel, Judaea, Samaria and the Gaza district.

23. The Administrative Council will appoint one of its members to represent the Council before the Government of Israel for deliberation on matters of common interest, and one of its members to represent the Council before the Government of Jordan, for deliberation on matters of common interest.

24. Israel stands by its right and its claim of sovereignty to Judaea, Samaria and the Gaza district. In the knowledge that other claims exist, it proposes, for the sake of the agreement and the peace, that the question of sovereignty in these areas be left open.

25. With regard to the administration of the holy places of the three religions in Jerusalem, a special proposal will be drawn up and submitted that will include the guarantee of freedom of access to members of all the faiths to the shrines holy to them.

26. These principles will be subject to review after a five-year period.

APPENDIX 3

REPORT OF CONGRESSMAN PAUL FINDLEY ON VISIT TO SOUTH YEMEN

From January 15 to 17, 1978, I departed from the itinerary scheduled for Chairman Zablocki's Middle East delegation in order to make a special side trip to the People's Democratic Republic of Yemen (South Yemen).

I am the only United States government official—elected or appointed—to visit there since 1969 when that country broke diplomatic relations with the United States and expelled our diplomatic mission. The South Yemen Government took these steps because it viewed with deepening antagonism the close U.S. relationship with Saudi Arabia and disagreed with U.S. policies in the Middle East.

The January 1978 visit was actually my second to South Yemen. My first trip occurred in 1974 when I traveled there to seek the release of a constituent imprisoned for accidentally photographing sensitive Yemeni facilities. The success of the earlier mission led to continuing contacts with South Yemen officials. Since 1974 I have advocated the re-establishment of diplomatic relations in order for the U.S. to open communications with South Yemen and to counter-act Soviet influence there. I do not regard diplomatic relations necessarily as an expression of approval for a regime.

During my January 1978 visit I met with the President of South Yemen, Salim Rubyai Ali, his Ambassador to the United Nations, Abdulla Ashtal, and Al-Khader Hamzeh, deputy-designate to Ambassador Ashtal. The Prime Minister and Foreign Minister were in Damascus at the time.

I was received with great hospitality. The tone of the meetings was very cordial. The discussions focused on several issues:

1. DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES AND THE P.D.R.Y.

South Yemen officials seem very interested in establishing diplomatic relations with the United States. They stated that they knew of no existing problems between the United States and South Yemen that would preclude normalizing relations and that they wanted to live together in friendship.

President Ali also sent the following message to President Carter, which I have since delivered:

"Please extend my warm greetings to President Carter. Kindly inform him that we are eager to maintain smooth and friendly relations between Democratic Yemen and the United States. We recognize that he is concerned about maintaining friendly relations with all countries. We feel that this is a positive policy. We believe our relations should be further strengthened."

The South Yemens would welcome a visit by President Carter.

2. SOUTH YEMEN'S RELATIONS WITH THE U.S.S.R.

South Yemen officials denied that any foreign nation maintains a military base in South Yemen though they acknowledged that they provide certain naval facilities to the Soviet Union. They did not indicate how they differentiate between a "base" and a "facility" but they insisted that the situation is different from what has been widely reported in the media. They said they have had long relations with the Soviets and the Soviets have been helpful during difficult moments.

3. SOUTH YEMEN RELATIONS WITH NEIGHBORING STATES

South Yemen relations with neighboring states, and particularly Arab states were described as good and improving. Relations with Saudi Arabia were viewed as important. Although certain elements have opposed these relations and several border incidents between the two nations have occurred, Aden and Riyadh have worked hard to solve problems and remove obstacles arising between the two countries.

4. MIDDLE EAST PEACE

South Yemen is opposed to President Sadat's peace initiative with Israel, fearing it will culminate in a unilateral Egyptian settlement with Israel. South Yemen officials consider a Middle East peace settlement to be impossible without a solution to the Palestinian problem which recognizes the rights of the Palestinian people.

APPENDIX 4

UNITED NATIONS RESOLUTIONS 242 AND 338

SECURITY COUNCIL RESOLUTION 242 (1967) ¹

"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 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;

"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 representatives as soon as possible."

SECURITY COUNCIL RESOLUTION 338 (1973) ²

The Security Council

1. *Calls upon* all parties to the present fighting to cease all firing and terminate all military activity immediately, no later than 12 hours after the moment of the adoption of this decision, in the positions they now occupy;

2. *Calls upon* the parties concerned to start immediately after the cease-fire the implementation of Security Council resolution 242 (1967) in all of its parts;

3. *Decides* that, immediately and concurrently with the cease-fire, negotiations start between the parties concerned under appropriate auspices aimed at establishing a just and durable peace in the Middle East.

¹ Resolution 242 (1967), as proposed by United Kingdom, S/8247, adopted unanimously by Council on 22 November 1967, meeting 1382.

Reports of Secretary-General:

S/8259. Note by Secretary-General dated 23 November 1967.

S/8309 and Add. 1. Report by Secretary-General on progress of efforts of Special Representative to Middle East, dated 22 December 1967 and 17 January 1968.

² Adopted on October 22, 1973 by a vote of 14 to 0 (China did not participate in the voting).

APPENDIX 5

JOINT ST. PATRICK'S DAY APPEAL FOR PEACE IN NORTHERN IRELAND, MARCH 17, 1977

The world has looked with increasing concern over the past eight years on the continuing tragedy that afflicts the people of Northern Ireland. Each of us has tried in the past to use our good offices to help see that the underlying injustices at the heart of the Northern Ireland tragedy are ended, so that a just and peaceful settlement may be secured.

It is evident to us, as it is to concerned people everywhere, that continued violence cannot assist the achievement of such a settlement, but can only exacerbate the wounds that divide the people of Northern Ireland.

We therefore join together in this appeal, which we make in a spirit of compassion and concern for the suffering people in the troubled part of Ireland. We appeal to all those organizations engaged in violence to renounce their campaigns of death and destruction and return to the path of life and peace. And we appeal as well to our fellow Americans to embrace this goal of peace, and to renounce any action that promotes the current violence or provides support or encouragement for organizations engaged in violence.

We make this appeal on St. Patrick's Day 1977, a day on which Irish peoples of all traditions everywhere should feel proud to rejoice in our common heritage, and a year in which peace should come at last to Northern Ireland.

EDWARD M. KENNEDY.
THOMAS P. O'NEILL, JR.
DANIEL PATRICK MOYNIHAN.
HUGH L. CAREY.

APPENDIX 6

TEXT OF STATEMENT BY PRESIDENT CARTER CONCERNING U.S. POLICY ON NORTHERN IRELAND, AUGUST 30, 1977

Throughout our history, Americans have rightly recalled the contributions men and women from many countries have made to the development of the United States. Among the greatest contributions have been those of the British and Irish people, Protestant and Catholic alike. We have close ties of friendship with both parts of Ireland and with Great Britain.

It is natural that Americans are deeply concerned about the continuing conflict and violence in Northern Ireland. We know the overwhelming majority of the people there reject the bomb and the bullet. The United States wholeheartedly supports peaceful means for finding a just solution that involves both parts of the community of Northern Ireland and protects human rights and guarantees freedom from discrimination—a solution that the people in Northern Ireland, as well as the Governments of Great Britain and Ireland can support. Violence cannot resolve Northern Ireland's problems; it only increases them and solves nothing.

We hope that all those engaged in violence will renounce this course and commit themselves to peaceful pursuit of legitimate goals. The path of reconciliation, cooperation, and peace is the only course that can end the human suffering and lead to a better future for all the people of Northern Ireland. I ask all Americans to refrain from supporting with financial or other aid organizations whose involvement, direct or indirect, in this violence delays the day when the people of Northern Ireland can live and work together in harmony, free from fear. Federal law enforcement agencies will continue to apprehend and prosecute any who violate U.S. laws in this regard.

U.S. Government policy on the Northern Ireland issue has long been one of impartiality, and that is how it will remain. We support the establishment of a form of government in Northern Ireland which will command widespread acceptance throughout both parts of the community. However, we have no intention of telling the parties how this might be achieved. The only permanent solution will come from the people who live there. There are no solutions that outsiders can impose.

At the same time, the people of Northern Ireland should know that they have our complete support in their quest for a peaceful and just society. It is a tribute to Northern Ireland's hard-working people that the area has continued to attract investment, despite the violence committed by a small minority. This is to be welcomed, since investment and other programs to create jobs will assist in ensuring a healthy economy and combating unemployment.

It is still true that a peaceful settlement would contribute immeasurably to stability in Northern Ireland and so enhance the prospects for increased investment. In the event of such a settlement, the U.S. Government would be prepared to join with others to see how additional job-creating investment could be encouraged, to the benefit of all the people of Northern Ireland.

I admire the many true friends of Northern Ireland in this country who speak out for peace. Emotions run high on this subject, and the easiest course is not to stand up for conciliation. I place myself firmly on the side of those who seek peace and reject violence in Northern Ireland.