



# THE LINK

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## AMERICA'S STAKE IN THE MIDDLE EAST

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America has four dominant interests in the Middle East. These are (1) oil from the Middle East, (2) business with the Middle East, (3) the survival of Israel, and (4) peace in the Middle East.

U.S. interest in oil is fundamental since without it America's vast industrial complex will be seriously crippled — standards of living will fall, unemployment will rapidly increase, the U.S. military posture will be weakened, American homes will be cold in winter and the position of America as a world power will be adversely affected. Hence, Middle East oil is imperative for America's well being. Moreover, America's dependence on Middle East oil will increase, year by year, for the foreseeable future.

America must do business with Middle East Arab states in the future, and on an increasing scale, in order to pay for oil purchased there. This business can take many forms including sales of American goods to Arab states and companies, technical assistance to Arab governments, institutions and businesses and the sale of military hardware. Conversely, Arabs may invest in American land, business and securities, following the precedents of foreign investments in the United States that began even before 1776 and continue to this day. Because the motivation for America to do business with the Arab people is a compliment of her purchase of Arab oil, the need for this is just as great as is U.S. need for oil.

America's interest in Israel's survival is of a different order. It is an interest based entirely on a commitment, rather than a need. In fact the commitment for

Israel's survival runs directly counter to America's self-interest in that it makes difficult the procurement of Arab oil and the doing of business with Arab states and people. Measured in economic and commercial terms America's commitment to Israel is a distinct liability and one that in the future can leave the U.S.A. stranded for enough energy to keep her industrial complex going, the homes of her people heated and her



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military defense strong. Even more serious, America's commitment to Israel may yet lead to greater power confrontation and near global devastation.

These things being so, peace in the Middle East is imperative for America. For the United States peace making can be defined as reconciling U.S. need for Arab oil and Arab business with America's commitment towards Israel's existence. To reconcile these factors is a big order, as the record of the past twenty eight years will testify.

The most logical thing for the United States to do would be to compromise Israel's existence. For while the U.S. could survive well without Israel, she cannot survive well at all without both Arab oil and Arab business. But as America enters the year 1976 her commitment to Israel's survival is one that neither the President or Congress is prepared to comprise. Thus America's present Middle East policy places the United States in a real dilemma—one that conflicts with her basic needs for energy and that conceivably could lead to Soviet-American confrontation. The seriousness of this dilemma can hardly be overstated. How then is America to deal with it?

Sooner or later the United States must modify its policy towards Israel—there is no other way. The key to a solution is to be found in United Nations resolutions relating to Arab-Israeli conflict—particularly Security Council Resolution 242, passed in November 1967. This resolution calls for peace based on the principles of each state recognizing the rights of other states in the region to exist, uninhibited passage of the cargo of all states through public

One source of information about Middle East matters is the public lecture given before a "select audience". Distinguished, well-informed representatives of Arab nations and groups are appearing on the lecture platform more frequently. AMEU corresponds with and supplies information to 94 Americans who speak more or less regularly on Middle East themes. These speeches are seldom well reported by the news media. Yet they contribute significantly to the store of knowledge from which American public opinion is formed. This issue of *The Link* contains the text of three such addresses. In each instance the views expressed are those of the author and, while respected by AMEU, are not necessarily in total agreement with those of the publishers of *The Link*. By publishing them we intend to draw attention to the public lecture program and encourage this method of building in America better understanding of the Middle East today.



waterways, adequate international security forces at the reconstituted border, a just settlement of the Palestinian refugee problem and the withdrawal of Israel from territories seized and occupied in June 1967. The basic weakness of this resolution is that it does not recognize the existence of the Palestinian Arabs as a people or their right to a state of their own if this is their desire. This could be rectified either by amending Security Council Resolution 242 or by interpreting it broadly to mean justice for the Palestinian people.

The American peace effort of 1974-75 was based on Security Council Resolution 242, but in the step-by-step approach nothing was done or even attempted to resolve the Palestinian problem. If America in 1976 wants to continue an effective peace initiative, it must promptly:

(1) Recognize the existence of the Palestinian Arabs as a people and their rights to a state if they want one.

(2) Support participation by the Palestinian people at the peace table through representatives designated by them, choosing if necessary the most representative of existing Palestinian organization; currently this is the Palestinian Liberation Organization (PLO).

(3) Work with the World Community of Nations for the implementation of the provisions of Security Council Resolution 242, interpreting the Palestinian refugees clause in terms of the Palestinian people and their rights.

If America will take these steps, I believe she can lead the way to peace in the Middle East. But this will not be easy. For in the background of Arab-Israeli conflict is a stubborn factor that has never received adequate consideration. This is the principle on which Israel was founded; that of a Jewish state for Jewish people, based on the Law of Return. To create a Jewish state for the Jewish people in Palestine, the founders of Israel had to displace by force the native Arab population, by force block their return, and establish a state in which Arabs in large numbers were not wanted; Israel would not have them. This is still the policy of Israel. This is the basic cause of Arab-Israeli conflict. This issue today is the major block to Middle East peace.

While the International Community, particularly the U.S.A., has been largely silent on this subject, both the Arabs and Israelis have understood it. It is because Israel fears that recognition of the Palestinian Arabs as a people would place in jeopardy the very principle of a Jewish state for the Jewish people and the Law of Return that she refuses to recognize the Palestinians as

a people and it is because the Palestinian Arabs see no way of rendering justice to the Palestinian people so long as these policies prevail in Israel that they have refused to recognize Israel as a legitimate state. The Arabs are pressing for a secular state that will encompass the West Bank, Gaza and Israel.

In December 1975, the issue of Jewish exclusiveness in Israel did come before the United Nations General Assembly, in the form of the resolution that described Zionism as racism. In my view the Law of Return is itself a racist law in that it admits Jews to citizenship in Israel who during their entire lives lived elsewhere and denies citizenship to Arabs who were born in Palestine and under international law have every right to be there today. Hence, Zionism in its support of Jewish exclusivism is inherently racist, of this there can be no doubt.

It is my belief that Israel cannot permanently exist as a state if she insists on being a Jewish state for the Jewish people. In time Israel, with a population of three million, must become part of the region of the Middle East—a region that encompasses one hundred twenty million non-Jews, mostly Arabs—if she is to survive. This she can never do so long as she remains an exclusivist Jewish state, refusing to render justice to the Palestinian Arabs whom she expelled and exiled. If Israel adheres to her present policy, time will be on the Arab side.

Certain Palestinian groups have opposed the creation of a Palestinian state consisting of the West Bank and Gaza Strip because they want Israel to become part of a secular Palestine now. It is my belief that if the Palestinian Arabs did accept a mini-state consisting of the West Bank and the Gaza Strip and then worked within the general guidelines set forth in Security Council Resolution 242, in time (less than twenty years) Israel would be forced to abandon the concept of Jewish exclusivism and become a secular state, even part of a larger secular state. This would be so because a small exclusivist state based on the Law of Return could not remain viable in the Middle East. The forces militating against the survival of such an exclusivist state would be too overpowering.

Because peace in the Middle East is imperative to the well-being of the United States—even to the future success of her industrial complex and the maintenance of her defense, the United States must now modify her Middle East policy to take into account the growing demands of the Palestinian Arabs; that

their rights be restored, that they be recognized by the PLO at the peace table and that they have the right of self-determination with regard to the establishment of a Palestinian state on the West Bank and Gaza Strip. Otherwise, war will break out again between Arabs and Israelis; the bloodiest war yet and danger will arise of great power confrontation in the middle of which oil to the U.S. may again be embargoed.

For America to so modify her own policy will be good for the people of Israel as well. It will help them to do what is in their long-run interest, i.e. to redress the wrongs committed against the Palestinian Arabs at the time the state came into being. Without this being done the Middle East will know no enduring peace. Israel's dilemma today is that her government as presently constituted is impotent to take such a step when acting alone, even though to do so is in the long-run interest of the three million Jewish people living there. Thus Israel today needs U.S. help to modify her own policy in the interest of her own people.

Presently the Ford Administration has taken no official step to recognize the existence of the Palestinian Arabs or the merit of their claims. Rather the Administration vigorously opposed debate of the Palestinian issue at the Security Council in January of this year and vetoed the resultant resolution. Moreover, neither the Administration or the Congress is likely to come to grips with this issue in an election year, at least not unless war develops and the Great Powers themselves feel threatened with confrontation.

The Great Powers possess a means of heading off confrontation between themselves even if a major war between the Arabs and Israelis were to break out. This would be for them to work together to impose a peace on the Middle East. It might come about in a manner similar to the cease-fire imposed by them in October 1973, except that the next cease-fire would be promptly followed by an imposed peace based on Security Council Resolution 242 and related resolutions. If this were done, the resultant peace terms might well be similar to those that might result from a peace negotiated at Geneva. Justification for an imposed peace would be that wars in the Middle East have become too dangerous to the world to be longer tolerated. Considering the forces that have blocked progress towards a solid peace under conditions other than wartime, an imposed peace implemented by the great powers at a point of impending crisis may be the most feasible and practical road to peace.



# MYTH AND REALITY IN THE MIDDLE EAST

**James S. Lipscomb**

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The following speech was presented in January, 1976, at the program of The Cleveland Council on World Affairs.

With varying degrees of intensity, problems in the Middle East resulting from Arab-Israeli conflicts of interest have been with us for 30 years and, unfortunately, have intensified sharply since 1967. With the exception of Soviet-American rivalry and Vietnam, no American foreign policy concern since World War II has persisted longer, been more costly to the United States, and appears further from solution. After four wars since 1948, little appears to have been settled, and a fifth war now seems inevitable in the near future, with consequences likely to be far more tragic for the countries directly involved and the Western World in general.

## Ineffectiveness of American Policies

In spite of its substantial commitment of resources and prestige in the Middle East, our country appears to have exercised little influence in advancing a lasting peace, even with the considerable efforts of our Secretaries of State in 1970 and 1975. How many more years should we be prepared to bear the substantial burdens and risks of instability and confrontation in this part of the world? And, perhaps most important, how can we contribute more effectively to a just and realistic settlement which, among other benefits, is most likely to insure Israel's future? The answers to these questions are complex and difficult at best, but if they are to be determined in the best interests of all parties concerned, the American public's understanding of the roots and nature of the Arab-Israeli impasse must be broadened. In other words, we must distinguish between the realities of these problems and the myths which have grown up around them.

I should like to preface this search for Middle East reality by reaffirming my long-held beliefs that the State of Israel, within approximately pre-1967 borders, must be recognized by her Arab neighbors, that a peace treaty which will determine secure boundaries for Israel and the contiguous Arab states must be reached, and that, in time, normal and mutually beneficial relations are possible between all nations of the region. In light of the past 40 years of Middle East history, these goals may appear naive and visionary, but my views are based on over five years of work and residence during the 1960s in Egypt, travels in most other countries of the area, and many conversations and personal friendships with people in these countries.

## Obstacles to Understanding Middle East Issues

Since returning to the United States in 1968, I have become increasingly convinced that one of the primary obstacles for most Americans in understanding the nature and history of problems in the Middle East is the difficulty and risk of raising reservations about policies of the Israeli Government or our relationships with Israel. In these areas, rational discussion most often leads to emotional rhetoric and the questioner being considered pro-Arab, anti-Israeli, or worse. In effect, there has never been in our country any broad, significant

public debate on the basic issues of Arab-Israeli relations and how our country might contribute most productively to improving them. About the only national attention to these subjects comes periodically in Congress and every four years when Presidential candidates and numerous Senators and Congressmen engage in a competition to see who can promise the highest level of American support for Israel.

Indeed, it is difficult to find books which present a balanced perspective on Middle East affairs, much less widely held Arab views. Only rarely does a newspaper writer or news commentator introduce ideas which might be considered unfriendly to Israel. And the relatively few prominent Americans who are directly knowledgeable about these matters do not feel the risks of criticism on such a sensitive subject are justified by the small influence they might have as individuals in challenging emotional and long-accepted views. To illustrate this condition within your own experience, I suspect that few can name as many as three well-known Americans who have raised publicly serious reservations about Israeli Government policies or our country's relationships with Israel. If you stop and think about it, most could not name two or even one.

Now what does this mean? Are the wisdom and justice of all Israeli policies vis-a-vis the Arabs, and our role in support of these positions, so clear that we have no alternative courses of action to serve better American national interests and Israel's long-range security? My answer to that is one of strong exception, and you will find similar concerns expressed by most other governments of the world if you examine voting records on Arab-Israeli issues within the United Nations since 1967 and public statements made by numerous foreign government leaders. As the only supplier of significant military and economic assistance for Israel and most consistent supporter politically, the United States has stood alone since 1967 and borne the brunt of much suspicion and adverse world opinion. Our isolation in this regard and its significance is not recognized or understood by most Americans. Partially, this is due to the public's tendency to be influenced by individual events without regard to their historic context. Thus, extremist Arab terrorism committed in Israel is justifiably deplored, while failing to perceive the conditions which lead to such desperate and often suicidal acts. And, in general, far more attention is given in our news media to terrorists acts committed against Israelis than those which are usually far more destructive and described as retaliatory actions inflicted on Arabs. Other developments are largely symbolic, such as the 1975 United Nations General Assembly resolution describing Zionism as a form of racism. While the unfortunate and erroneous semantics of this resolution were given wide attention in our country, the important message has been largely obscured, that is 72 countries, including some major nations such as Brazil, India, and Nigeria, are openly hostile to Israel's policies vis-a-vis the Arabs and another 32 have serious reservations about them and abstained.

## Compassion for Jewish State

As part of the process required in reevaluating and reshaping American policies in the Middle East, let us examine some of the myths and realities which have been broadly accepted in our country and have largely determined our relationships in this part of the world for 30 years. The first and most important reality we can all accept is the sense of obligation and compassion felt by most Americans in responding to the unspeakable tragedy of genocide committed against Jews in Europe during World War II. This factor, with its deep emo-



tional and practical consequences, led a majority of governments represented in the United Nations in 1948 to approve the partitioning of Palestine and establishment of the State of Israel. The United States was the single most influential power in this development, and there was wide public support in our country.

Unfortunately, however, there were some other realities at this time in the Middle East, and these are little understood by Americans and have increasingly challenged Israel's long-range viability. The first of these was that Palestinian Arabs and their ancestors had been the dominant population in this territory for over 1300 years. Jewish representation had been very small, probably less than 5 percent since the 7th Century A.D. until it started expanding in the early years of the 20th Century. By 1920 it was 12 percent, and the numbers grew rapidly to about 35 percent in 1948.

### **Palestinian Arabs Become New Refugees**

Of course, this large scale immigration occurred during British rule of Palestine and was bitterly opposed by most indigenous Arabs, who foresaw themselves becoming a minority people in their ancestral homeland. With Israel's creation, their worst fears were realized and 700,000 became exiled refugees, most of whom have lived since in poverty and without hope under restricted conditions in neighboring countries. As Israel's original United Nation's determined borders have expanded, first by 20 percent as a result of the fighting in 1949 and then by 300 percent in 1967, another 150,000 Palestinian Arabs have been added to the refugee camps, and 650,000 are living in territories occupied and governed by Israel.

Along with these realities, there are a number of myths which have been widely believed in this country about the Palestinian refugees. The first is that most were misled by Arab leaders in 1949 and left their homes voluntarily, with the expectation of returning when Israeli military forces were defeated by elements of neighboring Arab forces. Historical facts simply do not support this contention, and there are many unbiased observers today who were on the scene in 1948-49 with the British Foreign Service, the United Nations, and relief agencies, such as the Quakers, and will attest to this. While there may have been a small number of Palestinians who left under such an assumption, the vast majority left in fear of their lives or were unwilling to risk the uncertainties of life in a state governed by a people they then considered enemies and conquerors of their land. The high level of terrorism committed by both Arabs and Jews during the period following World War II was largely responsible for this climate of fear. In addition, as a practical matter for Israel in 1949 with a population of only 650,000 Jews, the slightly larger Palestinian Arab population who had lived in the land then occupied by Israel would have posed an exceedingly difficult obstacle to establishing a stable Jewish state, if most had been permitted to remain on their land.

The second myth is based on the assumption that other Arab countries could solve the refugee problem by resettling them permanently within their own borders, and this solution appears to be strengthened by the availability in recent years of great oil wealth in the Middle East to bear the cost of such an undertaking. This scenario, however, disregards certain critical factors: 1) the Palestinian Arabs have close and traditional ties to their former land, and most have not been receptive to permanent settlement in other Arab countries; 2) most Palestinian Arabs are unwilling to lose their identity and sense of nationhood by being distributed in a number of countries, which, even though Arab, are still foreign to them in many ways; 3) with the possible exception of Lebanon, neighboring Arab states are poor and would find the assimilation



of hundreds of thousands of refugees difficult and costly economically and socially (the tragedy of Lebanon this past year is, at least, partially related to the presence of a volatile group of 325,000 Palestinian refugees, 14 percent of its total population, who have upset the delicate religious and political balance which has enabled this admirable little country to prosper since its independence in World War II); 4) Arab history and culture give a high priority to a sense of historical justice and an acceptance of long-suffering in what is believed to be a sacred cause; and 5) it must be recognized that the existence of the Palestinian refugees has served as a focal point and partial rationale for Arab unity in opposition to Israel. While this factor can obviously not justify the hardships of the refugees since 1948, it is an important and sad human element in the political equation of the Middle East and will likely remain so until a new Palestinian Arab state is created in part of their former land which is now occupied by Israel.

### **Israel's Progress Admired in U.S.**

Another reality often extolled and justifiably admired since 1948 is that Israel is the only democratic society and government in the Middle East, with the exception of Lebanon. These accomplishments, combined with the talents and industriousness of its remarkable people, 20th Century technology, and unprecedented economic assistance from America (on a per capita basis at least 30 times that provided for all its Arab neighbors combined) have made possible in Israel an extraordinary rate of growth and impressive prosperity in a relatively brief time. Such qualities and progress are widely admired by our people, for we view them as being some of the same virtues which have molded our country and made it worthy of emulation.

Along with this accurate perception of Israel, however, come many myths about the Arabs. It is widely believed, as an example, that Arab culture is undistinguished and decadent when compared to that of the West; that the Moslem faith is simplistic, emotional and historically belligerent in its practices; that most Arabs are not industrious and have not made good use of their lands' natural resources; and that Arab governments are unreliable in keeping commitments. How often do we hear a comparison between Israel's wonderful achievements in "making the desert bloom" and the backwardness of its neighbors, without any recognition that the part of Palestine which became Israel included the most developed



areas and the larger part of the most productive agricultural lands of that territory.

Unfortunately, most of these myths are based on a limited knowledge of Arab history and because relatively few Americans have had a meaningful opportunity to become acquainted with Arab countries and their people. In a broad sense, the result of these partially emotional and often erroneous perceptions of the dynamics of Middle Eastern societies has been to align the United States with a small country of 3 million people, while alienating us from 20 Arab countries with a population of over 100 million. Were a similar strategy to be pursued by our country in other parts of the world, our national power and reputation would be much diminished and our ability to serve our few friends overseas, precarious.

### **Soviet Influence Grows with U.S. Support for Israel**

With the serious consequences of Soviet-American rivalry during the past 30 years, one of the most frequently advanced reasons for close cooperation between Israel and America is that Israel is our only reliable friend in the Middle East and our main counterbalance to Soviet influence in Arab countries. In the context of the Cold War, this naive logic has been appealing but, I believe, represents one of the most deceptive and costly myths on which to base American strategy in that part of the world. At the end of World War II, no major power was held in as high esteem by the Arabs generally as the United States. Britain and France were viewed with distrust because of their colonial relationships with many Arab countries. The Soviet Union had only limited contacts with these countries, and the Western orientation and education of most influential Arabs, combined with a deep distaste for certain features of communism, created serious obstacles for advancing Soviet influence.

At the same time, there were unusually favorable opportunities for our country to build on the fruitful economic and cultural relationships established since the mid 1800's in many Arab countries. When, over the strongest objections of Arab leaders, we championed the creation of Israel in 1948 and have been the primary source of massive military, economic and political support since, our reputation and standing in the Arab World plummeted and has remained at a level far below what could have been. As has proven so often true in this kind of setting, the Soviets have capitalized on our estrangement from many Arab countries and established a variety of relationships which have served their strategic purposes. I am convinced that continued full support of Israel by the United States is the surest way to encourage existing, and probably expanding, Soviet influence in the Middle East. When our policies in this area become more balanced, Arab reliance on Soviet assistance will decline, along with their influence.

### **Importance of Arab Oil to U.S.**

That two-thirds of the world's known petroleum reserves are in Arab countries and American dependence on these sources is now about 20 percent of our needs and likely to rise to 40-50 percent by 1985 are well-recognized realities today. The costly consequences of politically inspired foreign oil price increases during the past 2-1/2 years and potential future embargos have created critical economic problems for our country and the West in general now and likely for years to come. While many factors have contributed to the recent power of the Organization of Petroleum Exporting Countries (OPEC), the emotional issue of Israel's occupation of Arab lands, including Jerusalem, in 1967 and apparent unwillingness to withdraw since strongly influenced a few key Arab oil-producing countries, particularly Saudi Arabia, to support OPEC in 1973 and enabled it to enforce its tough demands. While it had been widely believed in our country that Arab

state rivalries and conflicting interests precluded the degree of Arab unity necessary for OPEC effectiveness, there has been a consistent, broad failure in the United States to recognize the basis and depth of Arab fears of Israel militarily and conviction that its long-range goal is to dominate the Middle East. However unrealistic such reactions might seem to us, these factors have been dominant in Arab thinking and actions for the past 30 years.

In this respect, we should understand that the Arabs have never viewed Israel as a small country of 3 million Jews desperately working and fighting for its survival. Rather it is seen as a highly organized and disciplined, technologically advanced, 20th Century society supported to an unprecedented degree by World Jewry and the American Government. In other words, it has been considered from its inception as basically an outpost of Western influence and power in a part of the world that is justifiably fearful of and hostile to foreign domination and exploitation, a condition which had prevailed in most Arab countries for centuries prior to World War II.

The implications of our growing reliance on Middle Eastern oil for, at least, the balance of this century are all too clear and disturbing. We may denounce unreasonably high prices and embargoes as blackmail, but if the Arabs did not use this economic leverage to advance their national interests, they would, perhaps, be the first countries in history not to do so. The United States has certainly not refrained from such a strategy in dealing with some of our overseas problems during the past 200 years. Rather than the suspicion and even hostility which often seems present in our relations with oil producing Arab countries, I should think a far more prudent policy would be one of building and expanding mutually beneficial relationships, economically, culturally and politically. Instead of viewing their investments in this country as a threat, how much better to encourage them as a source of much needed capital for strengthening our economy and an important contributor to our balance of payments. From our own extensive overseas investment experience, we should recognize, too, that substantial foreign assets in a country are likely to lead to closer cooperation and understanding between the countries involved and provide a strong rationale for the investors to pursue policies which would advance the general economic health of the country in which their investments must thrive.

### **Broad Requirements for Arab-Israeli Settlement**

Now where does an understanding of the above realities and myths lead us? And what are the basic requirements for a long-term settlement which will promise peace and security for Israel and her neighbors? I have found no better over-all answer than the response in 1971 of David Ben-Gurion, Israel's first and, perhaps, wisest leader. In essence, he stated his conviction that peace is Israel's "great necessity", and "to get it, we must return to the borders before 1967. As for security, militarily defensible borders, while desirable, cannot by themselves guarantee our future. Real peace with our Arab neighbors - mutual trust and friendship - that is the only true security."

A current shifting of the balance of power in the Middle East gives added force to Mr. Ben-Gurion's words. This development has come, in part, from improved Arab military capabilities and morale, as demonstrated in the October, 1973 War. But even more important, it results from the present massive transfer to wealth to Arab oil-producing states and a growing sense of national identity and pride among the Arab peoples, especially the understandably embittered Palestinians. On the other side, the remarkable progress of Israel during the past 25 years has resulted primarily from the qualities of its people - dedication, competence, industriousness and discipline. It is difficult to see how these can be expanded significantly, without substantial Jewish immigration from the West, and overcome the fact that Israel is a small country



with limited natural resources, a budget heavily committed to the military, and an economy largely dependent on the United States for viability.

The United Nations Security Council's Resolution 242 approved in November, 1967, appears to be the most promising basis for a negotiated settlement and is in general conformity with Mr. Ben-Gurion's recommendations. It could provide all of the important conditions which Israel had indicated prior to 1967 were necessary for peace and its own security. The broad provisions of an agreement on this basis are well known and should include the following elements:

- 1) a declaration of peace and formal treaty acknowledgment of Israel's Statehood within recognized, secure boundaries approximating those before the June 1967 War by the concerned Arab countries and the Palestinians;
- 2) the withdrawal by Israel to these borders and the placing of United Nations patrols in demilitarized zones on both sides of the borders;
- 3) a Palestinian state on the West Bank, either independent or in some form of association with Jordan;
- 4) a special status for the old city of Jerusalem, providing free access for all and, perhaps, administered by the United Nations;
- 5) Israeli freedom to use the Suez Canal and other strategic sea passages; and
- 6) a guarantee of the settlement by the major powers, primarily the Soviet Union and the United States.

Along with practically all United Nations members, including Israel, our country has endorsed Resolution 242 but failed to create the dynamics required and within its power for implementation. As long as our over-all policy, 100 percent political support for Israel, is largely unquestioned, and we continue to provide the resources which will maintain for the near future Israel's clear superiority of military power, then facing the requirements of returning Arab lands occupied in 1967 can be avoided—at least for a few years, until the Arabs believe the shift of power has been great enough to risk the next war. By allowing emotional commitment to overshadow compelling evidence of this changing balance of power, the friends of Israel in America do both countries a disservice.

### Priority of U.S. Interests in Middle East

And how does a continuation of this policy serve American national interests in the Middle East? To answer this question, we must first define these interests. Essentially, I believe most reasonable and informed people would agree they are: 1) the security and good health of Israel; 2) friendship and productive relations with Arab countries; and 3) access to Arab oil. But the critical issue here is the priority of these interests. The highly organized and heavily funded Israeli lobby in the United States would lead us to believe that our support of Israel overshadows all other objectives and, indeed, is a requisite for maintaining influence and protecting our other interests in this region. As pointed out in my earlier evaluation of realities and myths in this part of the world, American policies in the Middle East have been largely determined on this basis since World War II, and it is difficult to conceive of more costly and counterproductive results.

How much more of our resources must be added to the over \$8 billion in arms and \$3 billion in economic assistance our government has committed to Israel just since 1967? To add perspective to the bias of our policies, during this same period our economic aid to all 20 Arab countries, with a total population of over 100 million, would not exceed \$300 million. This is a ratio of 10 to one in favor of Israel, and on a per capita basis it is \$330 for each Israeli citizen to one dollar for each Arab. The disproportion of military hardware committed to both sides would be even greater. Not only has this

myopic view of the Middle East led us to badly unbalanced relationships in that area, but it has, also, seriously undermined our ability to provide much needed economic assistance and to strengthen our relations with other developing countries with which we should be cooperating at a far more meaningful level. For instance, what justification can be made for a policy which has lead our government since 1967 to commit twice as much assistance to the 3 million people of Israel than to all 28 Black African countries with their combined population of over 250 million?

Earlier comments have described my views on the importance of our other two Middle Eastern interests; normal, mutually productive relationships with Arab countries and access to oil. How much better all of these goals could be served if we were able to balance logically and dispassionately the priorities of our interests. This certainly does not mean the abandonment of Israel by the United States or the likelihood of its destruction, as Israeli partisans in our country claim, but rather I am convinced this balancing process would far better serve Israel's long-range interests and our ability to insure its security and progress.

### American Politics and Middle East Policies

As a final reality in this complex equation, I believe that peace in the Middle East has and will continue to be significantly influenced by domestic political considerations within the United States. Now, in our country it is traditional and often commendable for people and organized groups to advance their interests by attempting to influence the legislative process and mold public opinion through the news media and in other ways. This type of activity, however, can lead to an inadequate public understanding and distorted perspective, when one side of an issue is clearly outmatched by the other in numbers, organization, wealth, influence, and Western sophistication. Until the President, Congressmen and Senators are willing to accept the political risks of highly organized pressures and reduced campaign contributions, the present, costly Arab-Israeli impasse will persist, with more terrorism, recriminations and new obstacles to a settlement.

### Prospects for Future

Unless our country is able to pursue more realistic and productive alternatives to our policies in the Middle East since 1967, it is only a matter of time until the fifth Arab-Israeli war, probably within 2 to 4 years. And this tragedy is likely to bring far greater loss of life and destruction in all countries involved, along with the clear possibility of nuclear weapons being employed and a direct confrontation of our nation and the Soviet Union. The horror of a nuclear bomb unleashed on Cairo, Tel-Aviv, or Damascus is almost impossible to contemplate, but the longer a just settlement is delayed, the higher the risk of this kind of catastrophe. Perhaps most tragic of all following the next war will be the creation of conditions which will make a settlement in the Middle East even more difficult to achieve and Israel's future far less certain.

How much longer will the American people allow the myths to outweigh the realities in the perceptions of the Middle East? Only when this ends can we look forward with hope to the resolution of this sad conflict and a new era of mutual respect and peace in this troubled part of the world.

James S. Lipscomb



# THE ROLE OF AMERICAN BUSINESS IN THE INDUSTRIALIZATION OF SAUDI ARABIA

Extracts from a speech to the American Arab Association  
Of Commerce & Industry, New York

by Dr. Ghazi Algosaibi  
Minister of Industry & Electricity

One of the objectives of the Kingdom of Saudi Arabia's Second Development Plan is to diversify the economy by expanding the industrial base.

American business can play a very important role in the implementation of our industrial plans. Many factors favor such a development. First, the United States is the most advanced industrial society; its contribution, therefore, can be more significant than that of other industrial nations. Second, Saudi Arabia and the United States have developed a warm and friendly relationship that has survived the most difficult international crises. Third, the qualities that made America great, ingenuity, private initiatives, the work ethic, are greatly admired in Saudi Arabia. Our industrialization effort is not based on central control exercised by unimaginative bureaucrats. Our vehicle to development is the encouragement of creative private initiatives. We are, therefore, anxious to learn as much as we can from the American experiment.

Saudi Arabia is fully aware of the fact that its present prosperity is the result of the happy association which allowed American technology to develop Saudi natural resources. Both sides tremendously benefited from the arrangement. It provided the United States with attractive opportunities for investment as well as with access to an increasingly important source of energy. It gave Saudi Arabia, for the first time in its history, the means to raise the living standards of its people beyond the subsistence level.

Encouraged by this successful experiment, we look forward to increasing participation by American firms in our industrial programs. There are many opportunities for such participation. I shall outline a few:

## 1. Joint Venture in Hydrocarbon-based Industries

Saudi Arabia, in view of its petroleum and gas resources and the availability of capital, is well equipped to develop an extensive and profitable hydrocarbon-based industry. Realizing this fact, a number of leading American companies showed interest in establishing joint ventures to produce petrochemicals, fertilizers, aluminum, and steel. Negotiations are proceeding smoothly and some of them are nearing completion. The Saudi Government is willing to consider further proposals in this area.

## 2. Joint Ventures in Non-Hydrocarbon Industries

In this field our development plan envisages the establishment of about 900 manufacturing units in the next five years. The plants would supply building materials, various agricultural inputs and outputs, and a wide variety of household and commercial items. Medium and small American companies can participate in some of the contemplated projects. I would like to take this opportunity to invite you all to take a closer look at the possibilities available. Our incentives package includes generous loans, free land, and cheap utilities. Our laws are flexible. An interested American industrialist has a wide range of profitable choices.

## 3. Consultancy and Management Services

While we endeavor to encourage joint ventures we realize that in some instances both sides prefer to limit the cooperation to consultancy and management services. We encourage such arrangements. American firms that are unwilling to invest in our industrial projects may yet profitably participate by providing management, engineering and marketing services.

## 4. Provision of Equipment

The factories and plants projected in the plan, require a wide variety of equipment and American companies can generate a large and lucrative business providing such materials. As Saudi Arabia progresses further on the road of industrialization its need for heavy machinery will grow. Thus the more you help us industrialize, the more you can sell plants and machines in our market.

These are only a few of the possibilities. To cite more examples American firms can contribute to our infrastructure development, manpower training, and construction projects. Other areas of mutual interest can be identified and expanded. Both sides recognize the inherent advantages in furthering economic relations. Today, the United States is the largest supplier of goods and services to the Kingdom. Similarly, 20% of the American oil import comes from Saudi Arabia.

However, this growing and mutually advantageous relationship is threatened by the present attempts to break the Arab boycott of Israel in the United States. Since these attempts, whether they succeed or not, have far-reaching implications for the future of the economic relations between the United States and Arab countries and since the boycott is not fully understood, I want to take this opportunity to explain the nature of the boycott and to clarify our position.

The reports that attempt to portray the Arab boycott as racial or religious discrimination are totally unfounded. The sole purpose of the Arab boycott is to prohibit transactions with any enterprise which fosters the economy of Israel or supports its war efforts. The records of the Arab boycott do not yield a single case where a firm was subjected to the boycott for the sole reason that it is owned and controlled by members of the Jewish faith. Nowhere in the various resolutions of the Arab League since 1949 or in the detailed regulations issued thereunder can one find a reference to Jews or Jewish interests. Thus there are companies owned by Jews which trade with Arab countries; there are companies owned by Moslems and Christians which are blacklisted.

I need hardly remind you that when it comes to boycotts, we are simply following well-established international practices. The United States itself has been described as "the olympic champion" of boycotts. Various Export Controls, the Trading with the Enemy Act, the Battle Act, are all legal devices designed to promote the foreign policy interests of the United States. No body ever said that you deprived yourselves of the pleasure of Havana cigars because you hated the Cuban's race or disapproved of their religion. The Arab boycott is different from other boycotts only in so far that it has stronger political, legal and ethical foundations than most.

Breaking the Arab boycott will not contribute anything to the cause of religious and racial tolerance in the world. Those who are truly concerned about tolerance and justice, and not merely motivated by blind love or blind hate, should direct all their energies towards finding a just solution to the Palestinian question. The Arab boycott is no more than a political response to a great political injustice. As long as the basic problem remains, it would be futile to deal with a minor symptom.

Saudi Arabia has a tremendous challenge in the years ahead. We are attempting in the next five years to increase student enrollment by over 200%, increase hospital beds by over 100%, and double our water supply and our road network. We want you to help us provide a better life for our people and in the process, through the generation of jobs and business opportunities, contribute to your own prosperity. Let me conclude by saying that I am confident that both Americans and Arabs are wise enough to continue on the road of cooperation, friendship, and common prosperity.



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The views expressed in **The Link** are those of the author and do not necessarily represent the opinion of Americans for Middle East Understanding, Inc.

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