

### THE AMERICAN COMMITTEE FOR JUSTICE IN THE MIDDLE EAST

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TESTIMONY PREPARED FOR PRESENTATION TO THE 1972 REPUBLICAN NATIONAL PLATFORM COMMITTEE, MIAMI BEACH, FLORIDA AUGUST 14, 1972



The American Committee for Justice in the Middle East, a non-profit, non-partisan, educational organization, is particularly concerned with the very real necessity for a clear definition of United States policy in the Middle East. Our nation's position in that region's affairs was important prior to 1967 and since that time, the American posture has become, in our opinion, the single most critical element in reaching a lasting settlement. Implicit in a lasting peace would be these factors: justice for the people and states of the region; an improvement of U.S. relations throughout the area as a whole which would enhance American national interests; finally, the humanitarian goal of an end to war with the resultant loss of lives and destruction. It is in this spirit and based upon half a decade of work in the field of United States-Mideast affairs, including extensive contact with all segments of the American public, that our Committee offers the following testimony.

#### THE MIDDLE EAST: MOST DANGEROUS FOREIGN POLICY TRAP

Our basic tenet, and one which President Nixon affirmed shortly after taking office, is that the Mideast since 1967 has formed the single most potentially dangerous entanglement confronting the United States. This belief has been stated by our organization often and publicly, before the Platform Committees of the Democratic and Republican National Conventions in 1968 and the Democratic Platform hearings in June of this year, before the Senate Foreign Relations Committee, in discussions with the Assistant and Under Secretaries of State, in testimony solicited by the Near East Subcommittee of the House Foreign Affairs Committee, and repeatedly in the columns of such media as the New York Times and the Christian Science Monitor. We would assert the same theme to you today—despite the absence of open war, the Mideast remains a constant flash spot into which our nation could be drawn at any moment with dire military, economic, and political consequences.

#### POSITIVE ACTION: TOWARD A LASTING SETTLEMENT

What does our Committee advocate in the way of a peace settlement? First, we believe that the UN Security Council Resolution 242 of November 22, 1967, outlines the perimeters for resolving the Arab-Israeli impasse. Both the spirit and the letter of that resolution should be implemented. The preamble of 242 states unequivocally that territorial expansion by force of arms is inadmissible. Under such a premise, the resolution advances five planks: withdrawal from occupied territory taken in 1967; a just seutlement of the Palestinian Arab grievances; insurance of the right of free maritime passage through international waterways; guaranteed territorial inviolability and political independence of every state in the area through measures including

the establishment of demilitarized zones; the termination of belligerency with recognition of the sovereignty, territorial integrity and political independence of all states in the area and their right to live in peace within secure boundaries. Second, we believe that with each passing day, it becomes more obvious that if such a program is to be implemented, it will have to be imposed on the countries involved by the world community. And, frankly, since the United States is the only major arms supplier and consistent diplomatic support for Israel, unless our nation is willing to apply the necessary pressure to facilitate a UN imposed settlement, there is little chance of a lasting peace.

#### AMERICAN NATIONAL INTERESTS IN THE MIDDLE EAST

As for American interests, it is clear that our policy since 1967 has not brought (1) peace, (2) a diminution of Soviet power in the area, or (3) lessened the chances of confrontation from American-Russian bipolarization. This bipolarization was evident in the failure to move toward any compromise with the USSR during President Nixon's recent Moscow summit. Within the United Nations, the U.S. has become largely isolated in its unilateral support for Israel. Most European countries have been successful in extending prestige, economic and political influence, and their national interests throughout the Middle East not through the adoption of a pro-Arab stance but merely a position of neutrality. The pattern evolving from the recent nationalization of the Iraq Petroleum Company should be analyzed since the oil from the northern Iraqi fields is destined for French, Soviet, and East European markets. There is also the still to be defined place of China in the Mideast although that country is presently financing, interestingly in cooperation with Russia, the Dhofar uprising in Oman and in opposition to Western interests.

#### THE OPPORTUNITY FOR A MIDEAST PEACE IS NOW

We should look closely into the near future to determine whether the United States is missing its opportunity to bring peace to the Middle East while we still have the power to do so. The onus lies upon us, since we back the occupying power—Israel. Moreover, in the past Israeli actions have often forced precipitate policy decision and position upon the United States. It would be foolhearty to assume that American national interests would ever deter Israel from undertaking activities that country deems important to its own self-interest. The recent ouster of USSR troops from Egypt should not be misconstrued as an outcome of U.S. policy, which it definitely was not. Instead, we urge the Nixon Administration to see this as the very real opportunity it is and move toward a position of neutrality. And unless the United States does make some effort in this direction, it is not a remote possibility that a Russian military presence and influence will return to the pivot country of Egypt, this time in greater control than ever before.

We would urge you to give close scrutiny to our position paper 13, "Economic Realities and the Middle East," which is attached. Within a few short years, our domestic energy picture, coupled with a spreading world-wide energy crisis and a radically changed balance of trade and payments situation between the United States and the Arab bloc, may push the balance of power away from the American-Israeli military posture simply because of U.S. national security demands in energy and economic reasons. Under such conditions, it is quite feasible that the Arab nations, and indeed the international community,

would no longer settle for American neutrality. Aside from the euphoria of détente between the United States and the USSR and Mainland China presently prevailing and the ideological differences existing between our nation and these Communist powers, we must face the possibility that Soviet and Chinese interest in the Middle East may well be stimulated as much by rising energy and economy requirements as for expanded political power. According to the U.S. Bureau of Mines, the USSR, for logistic and production factors, may soon be entering the market for Arab sil, thereby bidding up the ante for American and Western Europe. We would call your attention to the delineation of U.S. policy development as we see it and urge you to keep these facts in mind as you prepare the Republican Platform in the coming days.

#### PROFESSED U.S. POLICY OF NEUTRALISM

Following the creation of Israel in 1948, the United States issued its first and only direct, official policy on the Middle East—namely, that our government would support the territorial integrity and political independence of all nations in that region. This pronouncement was violated essentially by the armistice lines of 1949, in which an enlarged Israeli state came into being which included territory taken by victory of arms beyond that area stipulated by the United Nations Partition Plan. It is not our place to argue the question of who began what; that could be interminable with a number of seemingly plausible positions emerging. From the 1948-1949 hostilities two bodies were created: an Israeli state and a displaced Palestinian entity.

#### U.S. NEUTRALITY APPLIED: THE EISENHOWER-NIXON ADMINISTRATION

In 1956, the Tripartite attack by France, Great Britain, and Israel against Egypt brought forth from the Eisenhower Administration a restatement of the U.S. position on territorial integrity and political independence. This episode offers ample evidence of (1) the applicability in practice as well as theory of true American neutrality and (2) that the world community, led by the United States, could impose a settlement not only upon Israel and Egypt but also upon the Big Four members, France and Great Britain.

#### 1967: SETTING THE STAGE

The Six Day War of 1967 resulted from a long build up of many facets of Mideast friction. Specialists on that region, such as former U.S. Ambassador to the United Nations Charles Yost, among others, concur that there was no one single party solely responsible for the conflict. Whatever the provocations, Israel launched a "preemptive attack" on June 5 and actual war commenced. The result left an expanded Israel territorially and population-wise, with a substantial number of Arabs in occupied areas. A new flood of refugees left the occupied territory, some voluntarily from panic, others expelled. Israeli military superiority has never been in doubt, either by American military and intelligence groupings or by the Institute for Strategic Studies. This should be kept in mind as Israel is now an occupying power, having as well annexed Old or Arab Jerusalem and carrying on an active settlement program in all portions of the occupied territory.

#### 1972: THE ISSUE OF ISRAELI SECURITY

Our organization does not support the eradication or extinction of any group or nation—neither the Palestinian Arabs nor the state of Israel. We also believe that an American commitment to "defend" Israel is in keeping with the overall long-standing policy of neutralism, i.e., territorial integrity and political independence for all in that region. But the American citizen has a right to know what Israel it may be called upon to defend: an Israel which has expanded its territory by war, an Israel which refuses to implement the unanimous expression of world opinion, including that of the United States, on the rights of the Palestinian Arabs to either repatriation and/or compensation? We question the wisdom of continuing a policy evolved since 1967 of apparently open-ended support for Israeli "security" as defined by that nation. If Israel considers itself secure only when all its surrounding neighbors are insecure, we cannot see how a lasting peace can emerge—a short-term one perhaps but not a final end to the possibility of renewed Middle Eastern fighting.

#### MAJORITY AMERICAN OPINION FAVORS NEUTRALITY

In short, defending Israel proper is one thing-defending Israeli conquests is quite another and one which the American public assuredly is not prepared to support, either financially or militarily. Numerous samplings of opinion uphold this contention. As early as May 2, 1969, a Harris poll in Time offered some startling insights into the thinking of the U.S. citizen. The question concerned 21 countries and West Berlin and the extent of United States support if any were invaded by outside Communist military forces or, in the case of Israel, were in danger of being overrun by any hostile force. Those nations to which the American public would give help with military force ranged from 57% in the case of Canada, to 13% for Communist Rumania, but the lowest percentage was 9% for Israel. Even Ethiopia and Kenya ranked higher with 22% and 21% respectively. In a Congressional poll of March 13, 1968 (Congressional Record, pp. H1920-22), 74% responding favored a United Nations settlement and strict U.S. neutrality in the Mideast. This majority opinion has continued unabated to the present, through such Congressional polls as those of July 7, August 3, September 16, and September 23, 1971 (Congressional Record, pp. E7082, E8734, E9687, E9550).

#### UNDEFINED COMMITMENTS: ASSESSING THE JACKSON AMENDMENT

Given such expressions of the public tenor vis-a-vis the Middle East, our Committee finds certain government actions, both in the legislative and executive branches, out of touch with prevailing sentiment and hence, potentially damaging. For example, the special status accorded Israel through the Jackson amendment to our national military procurement bills in 1970 and 1971 implied treatment of Israel as an integral part of the United States and/or those areas where our armed forces are stationed or actively involved, as in Southeast Asia or Europe. What is insinuated by this unique action authoritizing \$500 million anually in military credits through this procedural manner? Much is implied by such action, seemingly innocent and well-meaning.

A more recent example, and one which we would hope the Republican Platform planners will carefully note, arose with the apparently innocuous proposal adopted by the Democratic Platform Committee last month, that the U.S. move its Embassy from Tel Aviv to Jerusalem. Thus, in effect, the American policy

since 1948 was disregarded by a de facto recognition of the unilateral annexation of Arab Jerusalem in 1967 which in turn, invalidated our stand on territorial integrity and political independence. It also flaunted the entire body of world opinion, speaking through the United Nations over two and a half decades ago, that the special religious and historical status of Jerusalem should render it free from the designation of political capital for any state.

#### OFFENSIVE ARMS TO ISRAEL: CONTINUED OCCUPATION AND ENHANCED SOVIET PENETRATION

The weapons sought by Israel are either directly or indirectly offensive. Prior to the 1970 cease-fire, the deep penetration bombing of Egypt with high civilian casualities was effected by American-made Phantoms. This led specifically to the introduction of Soviet troops into Egypt. Both the Phantom F4 (considered an acceptable nuclear delivery system) and the Skyhawk are described as first-line attack aircraft. Undiminished Israeli superiority—the military imbalance in Israel's favor—insures continued occupation of Arab territory taken in 1967. The Lance surface-to-surface missiles could be classified as primarily defensive only if deployed within the pre-June 5, 1967 Israeli borders. If placed in Arab Jerusalem, Jordan's West Bank area, the Golan Heights, Gaza, or Sinai, such missiles could be viewed only as offensive by enabling Israel to continue its occupation. The implied U.S. policy by such weapon deliveries is of tacit support for Israeli occupation, settlement and annexation—of support for a peace imposed by Israel through superior force upon its neighbors.

#### A PLATFORM FOR PEACE, JUSTICE, AND PROGRESS

In short, we believe the Republican Platform for 1972 should include a pronouncement on Middle Eastern policy which would be premised upon true neutralism in line with our long-established and officially stated position on that region. Such a policy of neutralism would be advanced through the imposition of a settlement under the multinational auspices of the United Nations and encompassing the elements enunciated in Resolution 242. Although the American political system includes a place for the functioning of lobby and pressure groups, the majority opinion on the Middle East should no longer be shunted aside. The average American wants to see our own national interests served as well as securing humanitarian objectives in forestalling future costly conflicts. We would urge you to catch the pulse of our citizenry on the issue of the Middle East and thereby avoid a possible faulty decision which would not be supported by the American people and might well be to the real detriment of Israel and disastrous for the United States.

Submitted by the American Committee for Justice in the Middle East, David L. Hendry, Chairman

The above testimony is supported by the Idaho Chapter of the American Committee for Justice in the Middle East, J. D. Lange, Chairman. The proposals advanced have also been approved by the Western Federation of American-Lebanese-Syrian Associations, representing 500,000 citizens of Middle Eastern ancestry in twelve Western states.



## THE AMERICAN COMMITTEE FOR JUSTICE IN THE MIDDLE EAST

# ECONOMIC REALITIES AND THE MIDDLE EAST

POSITION PAPER NUMBER THIRTEEN

MAY 15, 1972

The American success story of the past two hundred years is astounding. But our voracious appetites evidenced in economic growth, industrialization, technological advancements, and the ever rising standard of living have taken their toll. The mantel of leadership for much of the world definitely fell upon our shoulders after World War II because we were the richest, strongest nation globally. For more than two decades, the United States has stood supreme, the international giant but still somehow detached and self-sufficient. All this is changing, particularly in the spheres of economics and natural resources. These new realities will force a closer identification of American national interests with our foreign policy—a reexamination and restructuring long overdue in the case of the Middle East. Let us put aside for a moment questions of morality, of right or wrong, or of justice and injustice to both peoples and states. We shall return to this later, but for now, there are a few unavoidable economic facts of life, perhaps unpleasant for some of us, which need to be recognized so that the cost of certain political decisions and stances can be more fully calculated.

#### U. S. ENERGY CRISIS: A REALITY

Hard on the heels of the Presidential Task Force on Oil Imports has come a two volume study effected for the U. S. Department of the Interior by the National Petroleum Council's Committee on U. S. Energy Outlook. The projections and conclusions will be startling for most Americans, long accustomed to the concept that self-sufficiency in energy, specifically petroleum, is the basis of our national security. It is noteworthy that by the end of the 1960's, our nation depended upon the Middle East for only 3% of its oil needs. By 1980, only eight years hence, projections for U. S. petroleum demand are for 22.7 million barrels per day (b/d) with no less than one-third supplied by Arab sources. More thought provoking is the opinion of an energy expert of our own Department of State who estimates the 1980 share of Middle Eastern (Arab and Iranian) and North African oil to be half of the total needs of that commodity for the U. S. 3

This will mark a major change and readjustment for the United States within the international petroleum and energy picture. Over the next two decades, oil and natural gas will continue to account

for the lion's share of the American energy market. The Atomic Energy Commission expects nuclear energy's share in the total U. S. domestic energy supply will be about 9.3% by 1980.<sup>4</sup> Coal's position will decline slightly over the coming years and will probably furnish about 17% of total American energy demand by 1985.<sup>5</sup> The development of oil shale will undoubtedly come although its exploitation is hindered by technological and pollution problems as well as relatively high cost.<sup>6</sup>

Heretofore, we have been a heavy producer of petroleum domestically with an important financial interest in the American companies which lift and market crude oil produced in other countries. Soon we shall join the large-scale foreign petroleum consuming group, similar to Japan and the European states. And while we shall continue to function as a producer at home and our firms as the dominant operators throughout the world, the United States will find itself more dependent upon other nations. Little, it would seem, can be done to alter this trend unless we cut back drastically in our industrial base and lower our standard of living. The U. S. is already short of natural gas for a combination of price and actual resource causes. Supply limitations are beginning to inhibit demand growth in this commodity. America is simply reducing its domestic reserves without concomitant new domestic discoveries. Moreover, if the Alaskan North Slope production by 1980 can possibly reach the 2 million b/d mark, it would still fall far below the expected 1975 output of 2.5 million b/d by the thinly populated, relatively small Arab Emirate of Abu Dhabi. 8

Keeping in mind the growing gap between U. S. energy demand and supply, Arab oil and gas must be deemed important on two counts: availability and cost. Conservatively estimated, two-thirds of the non-communist world's reserves are Arab. Additionally, consumers everywhere are and should be interested in the cost factor. The average well in the U. S. yields approximately 14 b/d at a cost of about \$2.50 while the average well output in the Arab oil producing countries is over 5,000 b/d with a cost varying from less than 10c to 20c per barrel. 10

#### THE TRADE RACE

Apart from meeting energy demand, the changing pattern and extent of oil imports to the U. S. contain potentially sweeping ramifications. In past years and to date, the United States has experienced a favorable trade surplus with the Arab nations of at least \$500 million annually, a bright note when one recalls that in 1971 our country registered its first trade deficit since 1893. As this decade of the 70's opened, America's balance of payments was aided by an inflow of about \$2.5 billion emanating primarily from returns on U. S. investment, overwhelmingly oil investment, in the Middle East and North Africa and from the movement of Arab private and governmental funds into the United States as savings or investment here. As we import oil and natural gas from the Arab bloc, two things will occur. First, American companies will continue the returns on investment with an inflow and positive impact on the balance of payments as their activities continue and increase. Second, there will be a rapidly rising level of outflow as the U. S. pays for its oil imports from the Arab world. The trade race will pick up considerably since the balance of trade should move from a surplus for the U. S. to a deficit with commensurate rises in dollar holdings by Arab nations. How can we move to even up the trade balance? The obvious answer would be to sell more commodities to the Arab world.

Today, the American share in the Arab market is quite small, only \$1 billion of a total Arab import bill from all sources of \$8 billion. Interestingly, this figure is about four times the value of Mainland China's imports from everywhere, yet the People's Republic of China is given much attention as an impressive new outlet for American products. Additionally, the purchasing power of the Arab oil countries should continue to increase as petroleum revenues rise toward \$12.6 billion within the next three years alone. By 1980, the Arab market should be good sized by any standard and there will most likely be sharp competition to win a portion of it among the European Economic Community (Common Market) countries, Japan, and Canada as well as the United States. Perhaps of greater significance is the fact that precisely the type of products, particularly capital equipment, which a highly industrialized economy like that of the U. S., Japan, the U.S.S.R. or European nations would like to sell is pre-

Using the conservative one-third figure for U. S. petroleum needs from Arab sources cited earlier, a 1980 projection, based on 1971 oil price levels, would place that U. S. import bill at about \$8 billion. For a number of reasons, including diminishing reserves, transport problems, and domestic conservation policies, American demand for increased imports of oil cannot be fully met from other traditional sources such as Canada and Venezuela. In short, the United States will have little choice but to buy its petroleum from Arab producers. On the other side of the coin, however, the Arabs have a greater selection in where they may purchase the capital imports they require since a number of highly advanced nations are vying for a share in that market. It would appear that the U. S. would and could benefit more from inter-dependence with the Arab bloc—mutuality in trade—rather than one-sided dependence by the United States on Arab sources for energy needs. Fortunately or unfortunately, it seems that our country cannot simply force the Arab states to buy American products. There are preferences already existing for American or Western goods which, under conditions of greater understanding between the U. S. and the Arab world, could be reinforced.

#### **ENLIGHTENED NATIONAL INTERESTS**

The only stated United States policy on the Middle East is a sound and just one, i.e., the U. S. supports the territorial integrity and political independence of all nations in that region. Our government reiterated that stand in voting in favor of the UN Security Council Resolution 242 of November 22, 1967. The preamble to this resolution specifically cites the principle of inadmissibility of territorial expansion by force of arms. Among the other stipulations are the right of all nations to exist, withdrawal from territories occupied in 1967, freedom of maritime passage, and a just settlement for the Palestinian refugees who were expelled or fled during the creation of Israel over twenty years ago.

Our Committee believes, on the basis of Congressional polls and other samplings as well as established ideals within our country, most American citizens would agree wholeheartedly with the sentiments of Resolution 242 and also the long-standing U. S. policy of professed neutralism. But because of political pressure, especially during a presidential election year, the U. S. government pledges such a high level of support for Israel that we essentially insure Israeli military superiority or an imbalance in Israel's favor which precludes any realistic military action on the part of the Arabs to retrieve land lost in 1967. Our arms shipments and diplomatic support enable Israel to continue its occupation and annexation policies in Arab territory, in turn setting up a situation where Israel can impose a settlement on its neighbors, at least over the short-run.

Today, no Arab government or leader has insisted that the United States do an "about face" and become anti-Israel. The Arab nations as a whole have agreed to implement Resolution 242. As the Arab bloc would willingly accept a U. S. policy of true neutrality, now is an opportune moment seemingly to push for a just settlement in the Middle East. However, the balance of economic power, including energy requirements, may shift vis-à-vis the Arab nations thereby countering the Israeli military superiority to some degree. Under such conditions, the Arab bloc and the international community might find a U. S. policy of neutralism no longer acceptable. Before such a situation arises, the United States is in a position, as the only major supplier of weapons and large-scale economic and diplomatic support to Israel, to apply pressure to bring Israeli implementation of Resolution 242. Such pressure might even involve halting all arms deliveries and economic aid.

There is nothing wrong or immoral in the United States pursuing its own national interests in the Middle East when those interests are enlightened and premised upon neutrality and the search for a just and lasting peace as well as improving American relations with all the countries in the region.

Returning to our national energy crisis, we should recall that traditionally and historically there

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has been an excess producing capacity in oil on a world-wide basis. As a result we have been able to cope with both the threat of and actual disruption in petroleum flow. Now this is no longer true and because of the vast reserves of petroleum in Arab countries, stability in the Middle East is of ever increasing importance for the United States. It is no longer a question of "if" or "whether" our country will become dependent upon imported petroleum from the Middle East. The reality is when, to what extent, and under what conditions will the U. S. come to rely heavily on Arab oil. It is in our self-interest to work toward a high level of economic reciprocity in Arab-American relations, particularly as the energy crisis is a global one which bodes for greater inter-dependence between and among all consuming countries.

### The American Committee for Justice in the Middle East

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<sup>&</sup>lt;sup>1</sup> <u>The Oil Import Question</u> (A Report on the Relationship of Oil Imports to the National Security), by the Cabinet Task Force on Oil Import Control, February 1970, (Washington, D. C., U. S. Government Printing Office), and National Petroleum Council, Committee on U. S. Energy Outlook, U. S. Energy Outlook: An Initial Appraisal 1971-1985 (2 volumes, 1971). (Hereafter cited as <u>U. S. Energy Outlook</u>.)

<sup>&</sup>lt;sup>2</sup>U. S. Energy Outlook, Vol. I, p. 28. In 1970, oil imports were 23% of domestic U. S. demand; by 1980, imports will account for 47% of our domestic demand.

<sup>&</sup>lt;sup>3</sup>James Akins, Director, Office of Fuels and Energy, Department of State, in testimony in <u>The Middle East 1971</u>: The Need to Strengthen the Peace, Hearings before the Subcommittee on the Near East, House Foreign Affairs Committee, 92nd Congress, First Session, (Hereafter cited as The Middle East 1971).

<sup>&</sup>lt;sup>4</sup>U. S. Energy Outlook, Vol. I, p. 73.

<sup>5</sup> Ibid.

<sup>&</sup>lt;sup>6</sup>The Middle East 1971, p. 121.

<sup>7</sup>U. S. Energy Outlook, Vol. I, pp. 31, 34.

<sup>&</sup>lt;sup>8</sup>Middle East Economic Survey, Supplement, January 7, 1972, p. 1.

<sup>&</sup>lt;sup>9</sup>The Middle East 1971, p. 121.

<sup>10</sup> lbid., p. 122. Under normal conditions, Arabian (Persian) Gulf crude can be shipped to European and North American (East coast) ports for about 70c to 80c per barrel, making the cost delivered to the U. S. below that of domestic crude oil. For an analysis of the cost to the United States of the Suez Canal closure, which is reflected in higher sea transport costs, see our Position Paper 12, "U. S. Self-Delusion: The Suez Canal Case." A recent study indicates that even after the dollar devaluation and 1970-72 negotiations between companies and oil producing countries, the "real" oil import costs are still below 1957 levels, Petroleum Intelligence Weekly, March 27, 1972, pp. 5-6.

<sup>&</sup>lt;sup>11</sup>See our Position Paper 6, "Dollars and Sense."

<sup>12</sup> Thomas O'Toole, staff writer of the Washington Post noted in an article in the Denver Post, April 30, 1972: "By 1985, . . . more than half our oil and almost half our gas will come from imports. This would increase oil and gas imports more than 10 times, to a staggering total of \$34 billion. By 1985, America's oil and gas supply may well depend on how well we're getting on with countries like Libya, Algeria, Nigeria, Saudi Arabia . . . ."