ISRAEL AND US NATIONAL INTERESTS IN THE MIDDLE EAST. (U)

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UNCLASSIFIED
This well written essay provided an overview of the history: people and resources: the economy: the social system: the government: and military of Israel. Student discussed US interests in the Middle East: provided an excellent analysis of US vital interests in the Middle East today and for the decade ahead. He concludes that: (a) Israel is the most stable country in Middle East; (b) that nation's dedication to survival will continue to
Item 20 continued

take precedence over internal economic matters; (c) access to oil will continue to be a primary US national interest in the 1980's; (d) Middle East remains the most potentially explosive area in the world today; and (e) the US remains committed to and will continue to support Israel.
ISRAEL AND US NATIONAL INTERESTS IN THE MIDDLE EAST

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CHAPTER 1

INTRODUCTION

Since the end of World War II the United States has become increasingly involved in Middle East affairs. The reason for this increasing involvement are many and varied:

- Politically in an effort to contain the Soviet Union and the spread of Communism throughout the world.

- Economically based on the Middle East's vast petroleum resources coupled with the desire of the Middle East nations to modernize utilizing US technology and industrial know-how.

- Morally as the search for peace between the Arabs and the Jews remains as elusive as ever, and the United States, having accepted the role of guaranteeing Israel's security, finds itself sometimes at odds with supporting Israel while attempting to improve and/or maintain good relations with the Arab world.

This study will be approached by first examining the state of Israel, analyzing its historical heritage and examining modern day Israel's political, economic, social systems and defense forces. The study will then present an outline of current US interests in the Middle East, followed by an analysis of US interests in relation to the continuing Israeli-Arab conflict and finally a conclusion containing the unbiased opinions of the author.
CHAPTER II
ISRAEL - THE NATION STATE

History: The creation of the state of Israel in 1948 was preceded by more than half a century of efforts by Zionist leaders to create a sovereign nation as a homeland for Jews dispersed throughout the world. Jews have always considered the Land of Israel their rightful homeland, first expressing their attachment during Babylonian exile and consolidating the attachment as a universal theme after the destruction of Jerusalem by the Romans in A.D. 70. 1

Practical steps toward securing international sanction for obtaining large-scale Jewish settlements in Palestine were not taken until the end of the 19th century with the founding of the Zionist movement by Theodore Herzl. 2 The movement was initially launched by Herzl at a congress held in Basle, Switzerland in 1897. The Basle Congress adopted as its official program the goal of creating for the Jewish population a home in Palestine secured by public law. To do this four steps were advocated, "(1) the promotion of Jewish colonization of Palestine, (2) the establishment of an organization to bind world Jewry by means of institutions in each country containing Jews, (3) the strengthening of Jewish national sentiment, and (4) the acquisition of government consent to the attainment of the aim of Zionism." 3

Even though 51 years would elapse before the ultimate goal would be realized, this is one of the most important events that had taken place since 70 A.D. because this plan, backed by leadership and physical means, provided the first organized attempt to return to the "promise land." It sparked the world Jewry to action creating organizations for fund-raising, mass recruitment and above all, renewed Jewish nationalism.
The next milestone to achieve the goal came through the so-called "Balfour Declaration" that was published on November 2, 1917. The Balfour Declaration provided the British Government's support for a Jewish homeland in Palestine. Supported by the United States and a number of other countries this declaration took on added importance after World War I, when the United Kingdom was assigned the Palestine Mandate by the League of Nations. The Palestinian Mandate was developed by the League of Nations as part of a mandate system designed to assist underdeveloped and newly developing nations achieve the experience necessary to eventually achieve self-government. The British, who were charged to implement the system in Palestine, never fully accomplished their goals, partially due to the bureaucratic inefficiency associated with problems of providing the Jewish and non-Jewish populations equal recognition and rights. Although the Palestinian mandate did not provide the Zionist's all they had hoped for, it did allow them to get "a foot in the Palestinian door."

As a result of Nazi persecution during World War II, international support for Jews wishing to immigrate to Palestine and for establishing a Jewish state produced results. In 1947, the United Nations adopted a partition plan which divided Palestine into separate Jewish and Arab states with Jerusalem becoming an international city under UN administration. Violence between Arab and Jew was immediate as the Arabs were determined not to allow the Jews to declare Israel a separate state.

The independent state of Israel was established on 14 May 1948. Since that time Israel has been involved in five major wars and hundreds of minor skirmishes and acts of terrorism with her Arab neighbors. Disputes
over land, the holy city of Jerusalem and survival have been Israel's legacy. Regardless, as recent history has shown, the people of Israel are determined, at all costs, to remain a free, independent nation.

People and Resources: Israel is a country of 20,720 kilometers (roughly the size of the state of New Jersey) with a population of 3.7 million. The population is 85 percent Jewish, 15 percent non-Jews (mostly Arabs) with a literacy rate of 88 percent and 48 percent respectively. The country has a labor force of 1.2 million, 90 percent of which is organized in unions. Independence Day, 14 May of each year, is Israel's only national holiday. There is universal suffrage at 18 years of age. The country has a large bureaucracy with almost 50 percent of the labor force employed by state enterprises and services. Approximately 25 percent are employed in industry with the remaining spread between agriculture and other private sector employment.

The Israeli economy has always depended on manpower to stimulate growth. Since the state was created, the society has been in a constant manpower flux. Population figures and the ratios among national origins are constantly changing with yearly changes in the society often outpacing those that took a decade to accomplish. The main reason for the growth of the Jewish population was immigration which accounted for 58 percent of the yearly increase in Jewish population between 1948 and 1977. By far the largest group of immigrants, over one-half million, arrived in Israel during the first three years after independence. Since then, the flow of immigrants has fluctuated, rising after periods of war or tension and then leveling off.

Since 1972, there has been a downward trend in population growth in Israel due mainly to a declining rate of new immigrants coupled with a
stable or in some instances increasing rate of emigration from Israel. For example, during 1977 there were 21,500 new immigrants and 17,500 emigrants, for a positive migration balance of 4,000.  

Added to this problem is the inbalance between the Jewish and non-Jewish growth rates. The Jewish growth rate has been steadily declining with the yearly rate of increase (including immigration) being 2.0 percent in 1975 compared with 3.1 percent in 1973 and 23.7 percent in 1949-51. Conversely, in 1977, the non-Jewish growth rate stood at 3.9 percent compared with 1.8 percent for the Jews. Non-Jews have been increasing their percentage of the population by about 0.2 percent yearly. In 1978, non-Jewish percentage of the population stood at 15.7 percent. Considering that in 1976 the birthrate for Jews was 25.1 per thousand and for non-Jews 43.5 per thousand while the death rates were 7.1 and 5.1 respectively, it becomes apparent that growth of the non-Jewish population will continue to outpace that of the Jews in the foreseeable future.  

Limited in natural resources to minerals such as potash, bromides and magnesium, Israel has always had to rely heavily on imports for existence. The balance of payments has traditionally been characterized by large excesses of imports over exports. Between 1950 and 1977 net capital imports exceeded exports by some $28 billion. The principal supplier of imports is the United States which supplies, in addition to military equipment, agricultural products, machinery and electrical and transportation equipment. This deficit has been a permanent drain on foreign reserves and has remained manageable only because of a constant flow of money in the form of grants, loans, reparation payments, and private investments that flow into Israel from outside the country.
Two of Israel's most vital natural resource deficiencies are in the areas of energy and water. Since 1975, and the return of the Egyptian oilfields to Egypt under the Sinai Agreements, most of the country's energy requirements have been met largely with imports. In fact, since 1976, about one-half of the United States economic aid to Israel may be viewed as offsetting the cost of fuel resulting from the Israeli return of Egyptian oilfields on the West coast of the Sinai. This situation could become even more severe, as in addition to the loss of fuel from the Sinai, Israel no longer receives fuel from Iran, which before the fall of the Shah, was supplying more than half of its requirement. Although Mexico has agreed to sell fuel to Israel, the loss of two important fuel sources close to home could well make the country even more dependent upon the United States, as the United States has extended to fifteen years a pledge made in 1975, as part of the Sinai peace agreement, to meet Israel's oil requirement if it is unable to buy from normal suppliers.

Israel's economy requires expanding productivity both for agricultural and industrial requirements. In this regard, water ranks with fuel as a major natural resource that is in short supply. Like fuel, water is almost useless until it is taken where it is most needed, and in Israel this often involves covering long distances. The problem is that most of Israel's water is in the North while in the South, where the best agricultural land is located, there is hardly any water available. Various plans have been suggested by both national (the United States) and international (the United Nations) organizations for developing the potential of the Jordan river so that everyone in the immediate area, Jordan, Israel and Lebanon, would benefit. However, Arab hostility has obstructed any
progress due to the reluctance of the Arab states to engage in any activity which might give any benefit at all, however insignificant in relation to its total scope, to Israel. Thus, it has been left to the Israeli government to do the best that it can for the country from the water resources directly under its control. In this respect, Israel has done a magnificent job. Agriculture and cultivation has undergone a great transformation from a primitive and mainly dry-farming method to a modern, irrigated system, a system which has resulted in Israel becoming largely self-sufficient in foodstuffs.

Legislation enacted right after independence declared water resources public property under the control of the State. In the years since independence, a national water system has been constructed that allows utilization of more than 90 percent of available water. The advanced state of Israel's agriculture is partly the result of that system. Efforts through the 1970's were devoted to expanding the water supply through desalination and conservation, however, scarcity of water was a restraint on further agricultural expansion in the last 1970's. Unless a major breakthrough occurs in the desalination experiments, the prospect is for limited agricultural growth through continued conservation, increased productivity and a shift toward crops of high economic value.

The Economy: When speaking of Israel, one must remember the people have been united as a nation for only a little over 33 years. By any measure the Israeli economy has grown remarkably since independence. By 1976, the Gross National Product amounted to nearly US $12 billion. The Israeli economy, which was about 40 percent of that of Egypt after the war of independence in 1949, was about as large as Egypt's by the mid-1970's.
Further, by 1976, per capital GNP amounted to nearly US $3,400, higher than that of Italy. 

The government performs a major role in the economy of Israel. Many factors, both historical and contemporary contribute to this involvement; however, with the formation of the State of Israel, the government accepted the obligation to receive and settle Jews who had been exiled from what they considered their homeland for 2,000 years and to promote the economic conditions of the homeland for the immigrant. The immigrants would eventually become Israel's main economic resource. However, as early as 1949, one year after independence, the government recognized that due to the large influx of immigrants from around the world (687,000 between May 1948 and December 1951), it was absolutely necessary that direct governmental intervention into the direction of the economy come into play. The masses of immigrants had to be provided for with housing and social services. The Army had to be financed and maintained at a high state of readiness and the bureaucracy expanded to administer the various programs initiated by the government to lead, develop and control the economy of the newly formed country.

The period from 1952 to 1967 was an economic boom period for Israel. With an annual growth rate of nearly ten percent, the country, by 1967, was moving steadily toward economic self-sufficiency, primarily because of its highly successful export performance. An important factor in this growth, of course, was the steady stream of capital flowing from outside sources. Regardless, most scholars tend to agree that by the mid-1960's, Israeli exports were growing at such a rate that a moderate increase in tax rates coupled with a restraint in public spending would
have enabled the country to eliminate its balance of payments deficit by the early 1970s.\textsuperscript{27}

The two Arab-Israeli Wars of June 1967 and October 1973 shattered the possibility of Israel eliminating its balance of payments deficits. Imports of expensive military hardware increased and industry was forced to shift to production of military hardware. This coupled with the worldwide inflation which occurred in 1974-75, as a result of oil price increases, hit Israel, which imports virtually all of its raw materials, particularly hard. The result was an increased balance of payments which rose from less than $1 billion in 1973 to $4 billion in 1975.\textsuperscript{28}

Inflation, always a serious problem, continued to plague the Israeli economy. Labor government anti-inflation measures, initiated in 1974, succeeded in reducing inflation from 56 percent in 1974 to 24 percent in 1975. However, by 1976, inflation was back up to 38 percent and increased to 42 percent in 1976.\textsuperscript{29}

In 1977, Menachem Begin became Prime Minister of Israel. Since 1973, the economy had bordered on near stagnation, due mainly to the cost of the 1973 year, the requirements to service a large foreign debt and large balance of payments deficits. As a result, in October 1977, the Begin government inaugurated a new economic policy that sought to shift Israeli economic policy and philosophy from the Labor party's semi-socialism to greater reliance on market competition and free enterprise.\textsuperscript{30}

Two fundamental constants have in the past and continue to bear on Israel's economic system. These are the ever present threat of war and the military/economic burden it implies, and Israel's determination to
provide a homeland to the Jews, a conviction which requires the continued existence of a vast social welfare state to soften the adjustment of immigrants to their new home. As a result, even though espousing a free market economy in 1977, the Israeli government since 1948 has been involved in the management of the economy to a degree unmatched in any other non-communist country. The State operates the railroads and telecommunications industries, it manages public works projects in irrigation, afforestation and community construction, it owns more than 50 percent of 200 public corporations that produce hundreds of products. Additionally, it maintains tight control of the private sector of the economy through a myriad of government regulations, controls and subsidies.

Most of these constraints have been dictated by the requirement that Israel, as the Zionist homeland, provide all people who desire to settle there not only a home but a minimum standard of living as well. This commitment, which is stronger than the current government's faith in free enterprise, will not permit any cut-back of social services or reduction of the vast bureaucracy required to administer them. Israel, as a matter of basic economic policy, has to maintain close to full employment and has one of the most complete and generous welfare programs in the world.

The constant threat of war also makes it difficult for Israel to undertake any economic policies that may weaken the unity of the society. The country allocates more of its resources to the military -- almost 30 percent of its total gross national product -- than any other nation in the world. The military consumes 15 percent of industrial output, 20 percent of the labor force and requires that every man 22-55 years of age, put in one month of reserve duty a year. As long as the nation remains
in a position that it must be constantly ready for war, it is doubtful that any government of Israel will alter its economic policies significantly.  

The Social System: Before examining the social system and social problems within Israel, it is important to present a general portrait of the various people which make up the social system.

Of the 3.7 million Israelis, approximately 3 million (85 percent) are Jews. The non-Jewish minority has tripled its population since 1948 while the Jewish population has more than quadrupled since independence. Of the Jewish population, 51 percent are Israeli born, 27 percent in Europe and the western hemisphere and 22 percent in Asia and Africa. The two main ethnic divisions are the Ashkenazim, or Jews of Central and Eastern European origin, and the Sephardin, or Oriental Jews, who came to Israel from the countries of the Near East and the Mediterranean basin. The Sephardin account for about 60 percent of the Jewish population. Of the non-Jewish population, 77 percent are Muslims, 15 percent are Christians and eight percent are of the Druze and other religions. Most non-Jews are Arabs.

Although the state of Israel is united by a population that is over 85 percent Jewish, there are problems and strains within the society that are potentially explosive. One is the social-cultural-economic gap between the Oriental Jews and Jews whose background and outlook is Western. A second is the Israeli's relationship with the Israeli Arabs.

A. Oriental and Western Jews: the first waves of immigrants who entered Israel from 1948-1951 came mostly from European displaced persons
camps and brought with them Western political institutions, economic organization, customs, and attitudes. These Western Jews or Ashkenazi, initially established the state of Israel and today still dominate all aspects of Israeli society from political through industrial to cultural.  

After 1950, Israeli planners turned to non-Western sources of Jewish immigration and received an influx of Jewish immigrants, often called Sephardi, which included Jews from Morocco, Tunisia, Algeria, Egypt, Iran, Iraq, Turkey, and Syria. Oriental Jews were different from their Western co-religionists. They looked different, resembling the populations in which they had lived for generations, Arabic was their tongue, and their customs, practices, and attitudes toward life were those of the East not the West. When Israel was established, they constituted 11 percent of the population. By 1960, through immigration, they had become the majority, creating two separate Jewish communities. 

Like other new immigrants, the Oriental Jews were dispersed to rural and border development areas. However, as a general pattern, after a few years the Western Jews would migrate to urban areas, while the Oriental Jews generally lacking in educational and technical skills, remained in the rural areas. As a result, there are many towns in Israel that are basically Sephardic outposts. 

Whereas the problem of the Oriental Jews is one of assimilation into the Western-dominated Israeli society, the problem of the Israeli Arab is one of social integration. Although Israeli Arabs vote, hold political office and enjoy more material wealth than ever before, they are finding it difficult to make any definitive headway in a society that has been superimposed on their Middle Eastern way of life. Many Arab villagers
still wear the traditional headcloth and flowing gowns, still live in modest one room houses and follow the tempo of life dictated by changing agricultural seasons.  

According to Israeli law, Arab citizens enjoy the same political rights as Jewish citizens, but in reality, they are segregated from the Israeli population, living and studying in their own communities, mostly engaged in manual labor and if fortunate enough to obtain a university education, either leaving the country or finding employment in the Arab community. The Israeli Arab cannot buy land, cannot tenant apartments built by any Jewish agency and are well aware that as recently as 1976 no elected Arab Council had been able to secure a loan from the Israeli government for development projects. 

Since 1948, the Israeli Arabs have accepted their position with remarkably little resistance. During the six-day war of 1967, they remained loyal or at least neutral and overall have provided little assistance to the efforts of the Palestine Liberation Organization. However, in recent years, most notably since the demonstrations on the occupied West Bank, the Arabs' relationship with the Israelis has been questioned. There appears to be an increasing identification of the Israeli Arabs with the Palestinians and an increasing tendency to see themselves aligned on political and national matters with other Arabs. 

There is little love lost between the Israeli Arab and the Oriental Jews, however, they have many things in common. Both consider themselves second-class citizens, excluded for one reason or another from positions of power and influence. The degree and time in which they remain in that position may well depend on the outcome of the race between Oriental
Jewish immigration, continued Israeli Arab population growth, and the speed in which the Arabs and Oriental Jews are integrated into the mainstream of Israeli life.\textsuperscript{44} Progress has been slow and time may be running out.

Regardless of these problems, there is a highly advanced system of social welfare in Israel. Old age pensions, industrial injury and maternity benefits, and allowances for large families are provided by the National Insurance Law. The Ministry of Social Welfare provides for general assistance, relief grants, child care and other social services. Additionally, the Histadrut, the General Federation of Labor, to which over 90 percent of all Jewish workers belong, provides sickness benefits and medical care. The education system is styled after the European system with free compulsory education for all children between the ages of five and fifteen. Secondary, vocational and agricultural schooling is also available. The system is further complemented by six universities and one graduate school of science.\textsuperscript{45}

Political System: Israel's governmental system is based on several basic laws enacted by its unicameral parliament, the Knesset. The President or Chief of State is elected by the Knesset for a five-year term, however, the Prime Minister (Head of Government) exercises executive power and traditionally is selected by the President on the basis of being the party leader most able to form a government. Members of the Cabinet must be approved by the Knesset and are negotiated among the parties forming the coalition government. Supreme power rests with the Knesset whose 120 members are elected by direct secret ballot for four-year terms. Judicial authority rests with the independent judicial system which includes
secular and religious courts. The courts do not have the right of judicial review of the Knesset’s acts as judicial interpretation deals only with execution of laws and validity of subsidiary legislation.\(^4^6\)

Israel is a proliferation of political parties that is in a constant flux of change due to mergers, splits, fragmentations and reunions which have been caused by ideological or policy differences and in several cases by personality clashes.\(^4^7\) Over the years, the three major themes of any one dominant block have consisted of labor, religion, and center-nationalist groups all of which have always had similar consensus about the kind of society they wanted; democratic to relate to the Jewish history of constant rebellion against tyranny and a parliamentary system since the state had been born of such.\(^4^8\)

Popular elections by the people and within the government are a major event for the Jew who has voted throughout time for his leaders. To the Israeli, proportional representation and numerous political parties are advantageous as such a system enforces national ideology and policy concerning the masses. The Israelis basically vote on the political issues and trust their elected representatives to select the best qualified individuals for chief of state and cabinet positions.\(^4^9\)

**The Military:** The Israeli Defence Force consists of a small nucleus of commissioned and non-commissioned officers backed by a contingent called up for national service and a large reserve.\(^5^0\) Total armed forces are 172,000 with the ability to mobilize to 400,000 in about 24 hours. The armed forces are divided into an army of 135,000, a navy of 9,000 and an air force of 28,000. Defence expenditure for 1981 equaled $7.3 billion,
over 30 percent of the 1980 estimated Gross National Product of $23 billion.\textsuperscript{51}

The military in Israel impacts on all aspects of life; social, economic and political. The tradition of the military as an institution of social services dates from 1949 when it played a major role in the control of widespread epidemics of disease in transit camps caused by the flood of immigrants to the new country.\textsuperscript{52}

Army service has been a welding influence in Israel mainly because it is a service almost all Israeli Jews experience plus the fact that as an institution, it stands very high in the eyes of the people. As an Army, it is unusual because it depends on the individual motivation of the soldier to maintain discipline, all Israeli youth of both sexes are eligible for service, and physical and educational handicaps are not necessarily barriers to acceptance. The only exceptions to military service is because of religious beliefs or for women, marriage. Further, everyone enters as a private, all uniforms are cut from the same cloth, insignias of rank are minimal, the Officer Corps is formed from the ranks and officers are often addressed by their first names.\textsuperscript{53}

As a social institution, probably the most important contribution of the Armed Forces has been the integration of different elements of Israeli society. With 90 percent of males and 50 percent of females drafted into the service, the military makes a concerted effort to integrate within its various units people from different social and economic backgrounds. In many cases, this is the first time Sephardim and Ashkazim, rural and urban, and local born and immigrant youth have ever mixed.\textsuperscript{54}
In addition, the military forces conduct an extensive education program which assists young people (mostly Sephardim) who were deprived of basic education as children, in better assimilating themselves into Western oriented culture of Israel. This education includes the teaching of Hebrew (the national language), the history of and geography of Israel and for approximately 1200 soldiers a year, a complete basic education course, taught during the last three months of their service. Other social programs of the military include its involvement with the social rehabilitation of delinquent youth. This is a relatively new program and one that has met with only limited success, as only half the youth released from detention have successfully adjusted to military service. However, military officials are proud of their role in youth rehabilitation programs and feel the opportunity afforded delinquent youth for reintegration into the society far outweigh associated disciplinary problems.\textsuperscript{55}

Military service does not have the alienating effect on soldiers as it does in some other nations. As Israel is such a small country, soldiers serve close to home and get frequent passes. Additionally, the military remains to be an important part of an individual’s life pattern as each serviceman is a member of the reserves until age 55, and is back in the service each year for approximately 40 days.\textsuperscript{56}

In summary, it can be said that Israel fits no classic model of developing countries. Although a young nation, it is already highly industrialized yet basically self-sufficient in agricultural production. It seeked additional population instead of attempting to depress it, has a modern, well-equipped, well-trained Army and participates actively in international trade. Since independence, the government has attempted
to equalize social status and promote, to the extent possible social justice for all its citizens. The country has one of the highest literacy rates and best educational systems in the world. The military is stable and provides needed services to the society. Women have equal rights and the church; in many instances a divisive factor between the government and the people, not only plays an important part in the daily life of Israelis but is supported and functions as a part of the government.

But times are changing. New generations of people are beginning to challenge and question the values of an older society. So much depends on the defense of the nation that the ultimate decisive factor in determining how successful Israel is in the future may be the question of peace in the Middle East. Peace would allow some reduction in the expenditure of dollars on the military. In turn, inflation may decrease and the government could concentrate its efforts on further expansion of the economy and assimilation and integration of all Israeli citizens into the mainstream of society.
CHAPTER II

ENDNOTES


2 Ibid. Pp. 3-4.


5 U.S. Department of State, op. cit. Pp. 3-4.

6 Peretz, op. cit. P. 33.

7 U.S. Department of State, op. cit. P. 4.

8 Ibid. P. 4.


12 Europa Yearbook, op. cit. P. 444


14 Europa Yearbook, op. cit. P. 444.

15 Nyrop, op. cit. P. 110-112.


17 Europa Yearbook, op. cit. P. 449.


21 Ibid. P. 89.
25 Ibid. P. 181.
28 Ibid. P. 1007.
31 Crittenden, op. cit., P. 1010.
32 Ibid. P. 1011.
34 U.S. Department of State, op. cit. P. 1.
38 Ibid. P. 306.
39 Nyrop, op. cit. P. 96-98.
42 Ibid. P. 102.
43 Congressional Quarterly, op. cit. P. 110.
44 Peretz, op. cit. P. 309.
46 U.S. Department of State, op. cit. Pp. 4-5.

47 Peretz, op. cit. P. 75.

48 Eban, op. cit. P. 103.

49 Peretz, op. cit. P. 166.

50 Europa Yearbook, Volume II, op. cit. P. 578.


52 Nyrop, op. cit. P. 282.


54 Nyrop, op. cit. P. 282.


56 Longstanding Struggle for National Survival, op. cit. P. 109
CHAPTER III
US INTERESTS IN THE MIDDLE EAST

The US, by its position as a global power has vital national interests in the Middle East. To define these interests in anything other than understated terms such as access to oil and lines of communication, is difficult. However, considering how much is involved in safeguarding our interests in the region, they might best be described as:

1. The reliable access, at tolerable prices, to the oil of the Arabian Peninsula.

2. The survival and security of the state of Israel.

3. The avoidance of confrontation and advancement of cooperation with the Soviet Union.

4. The fulfillment, so far as possible, of certain principles including the peaceful settlement of international disputes, the denial of acquisition of territory by force and the right of people to self-determination.

Although these interests may not seem new, events of the last ten years such as the emergence of Japan as a world economic power, the large increase in the price of oil in the mid-nineteen seventies coupled with Western Europe’s almost total dependence on Mid-East oil supplies, the Camp David agreements signaling peace between Egypt and Israel, revolution in Iran and the Soviet invasion of Afghanistan, all add up to increase both the problems and importance of administering US interests in this highly volatile area.
From an economic viewpoint the US interest in the proven and probable oil reserves of the Arabian Peninsula is probably the most tangible and obvious US interest. For most of the last 30 years while consumption of imported oil has grown US domestic production has declined. Even allowing for the production of the Alaskan oil fields in 1977, the long-term trend of American production is downward. Even with continued conservation methods and continued exploration of alternative energy sources, it remains highly probable that the US will remain basically dependent on foreign energy sources for decades to come. Accordingly, the US has a vital national interest in the prices, levels of production, access to, and disposition of the vast oil reserves of the oil producing Middle East nations.

As for the second national interest, the US remains, under the Reagan Administration, committed to the survivability of the state of Israel. As stated by Secretary of State Alexander M. Haig before the US Senate Foreign Relations Committee, in October 1981:

"The United States is fundamentally and unalterably committed to the security of Israel. A strong Israel is required by our interests and our hopes for peace and security in the Middle East."

Why the US continues to support Israel at the risk of alienating the Arab states that control vital energy resources is a matter of much debate and writings too numerous to mention. Israel has long contended that is is a "strategic asset" to the United States based on a perceived crucial location, sophisticated military power and relative stability in the Middle East as a committed ally of the US. Conversely, a strong argument can be made for the abandonment of Israel by the United States were the
US primarily concerned only with the exclusion of Soviet influence from the Arab world. In this instance it is true that Israel provides the US with valuable military information and intelligence and that under various scenarios the US would have need for naval and air bases in Israeli territory. However, these assets alone are not sufficient reason to justify the US expenditure of dollars that makes Israel the largest single recipient of United States foreign aid.  

Whatever the reason for continued US support of Israel it seems clear that although the US will continue to support Israel in the 1980's, questions will arise as to how much support is enough, how much pressure the US should exert to assist in resolving the continuing Arab-Israeli conflict, and whether the US should continually support Israel without due consideration of the impact that support has on other vital interests in the Middle East and the rest of the world.

While the US does not actively seek confrontation with the Soviet Union, the opportunities for such confrontation abounds. The Soviets pursue a policy of seeking and seizing opportunities to expand its influence and control while at the same time advancing proposals for regional security, nuclear-free zones, and Arab-Israeli peace, to be achieved with Soviet participation and cooperation. Although primarily propaganda, such proposals have appeal to peoples of the Middle East. While the West should not refuse to enter into dialogue or negotiations as a means of clarifying interests or managing crisis that may be dangerous to all, it should do so from a position of military strength adequate to deter Soviet military action.

Although President Reagan brought no ready-made policy with him when he took over the White House he did recognize the fact that over the past
years the US had failed to stand up to the Russians and initiated a policy during the first months of 1981 of increasing military power recognizing that military power in the Middle East was an important deterrent to overt military moves by the Soviet Union. 8

The US and the USSR as the two world superpowers are in the Mid-East to stay. Because of other vital interests in the region the US wants to prevent the Soviets from challenging American political predominance in the region. We do not wish to share power or responsibility in the region with the Soviets and although we would like to see a comprehensive solution to the Arab-Israeli conflict, we do not wish to pursue a solution in an international forum in which the Soviet Union would enjoy equal status with us. 9 However, the prospects of a general settlement would most likely be advanced were the Soviet Union to apply its not inconsiderable influence upon Syria, the Palestine Liberation Organization, and the "rejectionist" Arabs in general. Considering the influence the Soviets have in the region can they really be expected to concur in a process, or a settlement, from which they have been excluded. 10

The final category of American national interests results from certain principles growing from US commitment to its own traditions and/or by contract as a signatory to the United Nations Charter. Despite its sometimes ambivalent position regarding the Palestinian situation the US has a longstanding commitment to the self determination of peoples. As an ethical principle, as well as a national interest, the premise of self determination is that it is morally unacceptable for larger or more powerful national groups to impose their rule on smaller or less powerful groups. The world would be safer and peace more secure if as many people as possible could be permitted to live in political jurisdictions of their choice. 11
CHAPTER III

FINDNOTES


2. Ibid., p. 2.


5. Tillman, op. cit., p. 2.


CHAPTER IV
ANALYSIS

Since Israel gained its independence in 1948, the country has been engaged in an almost constant state of war. The hostility of its Arab neighbors has caused Israel to maintain economic and foreign policies designed to ensure secure and defensible borders against the Arab states. As a result Israel is forced to expend a large portion of its gross national product on defence, an expenditure which leads to high inflation and a general weakening of its economic base.

Without the support of the United States it is doubtful that Israel could continue to exist as a free nation. In the mid-East in general and in Israel in particular, of all the allies, it is the US that is doing the most to maintain peace in the area and meet the common threat posed to the Western world by the Soviet Union.

As outlined in Chapter III, the US as a global power has vital national interests in the Middle East. Unfortunately, these interests cannot all be served by the same simple policy, for in the case of continuing the US commitment to Israel's security and the recognized need for free access to Middle East oil, the policies required to ensure US interests are best served, conflict. The dilemma for the United States is how to formulate a policy for the Middle East that pleases everybody but still protects US interests. Maybe it can't be done.

The impact of the 1973 oil embargo with the resultant rising oil prices has served to demonstrate to the American public that their daily lives could be profoundly affected by events that occur thousands of
miles away. Of all the US vital interests in the Middle East most important now and for the decade ahead is the West's need for access to oil. Regardless of the prospects for development of alternate sources of oil, for a significant decrease in the use of oil as a primary source of energy, for the emergence of new primary sources of energy, and for the success of energy conservation efforts, there is little doubt that US and Western dependency on oil from the Persian Gulf will remain the dominant Western interest in the Middle East for the foreseeable future. The protection of oil was assumed to require the attainment of regional stability. ¹

For several decades the tendency in the West has been to view the question of stability in the Middle East through the prism of the Arab-Israeli conflict. Although the conflict has definitely played a role, it is dangerous to assume that achieving a just settlement to the Arab-Israeli conflict would settle all Middle Eastern problems. Other destabilizing factors such as the traditional rivalry for predominance among various Arab states, the rise of radicalism and the readherence to Islamic fundamentalism all add up to pose a direct threat to most of the present regimes in the Gulf region and therefore to the flow of oil. In this context Israel, with its stable government and proven reliable military capability may in fact assist the US by reducing the risk of local wars that could expand and lead to global confrontation with the Soviet Union. ²

The decade of the 80's will not be an easy one to deal with in terms of US foreign policy in the Middle East. Although the signing of the Camp David agreement in March 1979 ended a state of war that had existed between Egypt and Israel since May 1998, the treaty failed to mention
and/or settle the fate of Jerusalem and the Golan Heights, the future of Jewish settlements in the occupied territories and autonomy for the Palestinians. In effect the treaty isolated Egypt from the rest of the Arab world and left the prospects for a Middle East peace in as much turmoil as ever.

In the specific area of US-Israeli relations it appears that the US will be faced with dealing with an Israeli government determined to protect its interests and let nothing be accomplished in the Middle East that is against its will. Despite many predictions that Prime Minister Menachem Begin and his Likud party would be soundly defeated in the 1981 elections, Begin and his party managed to form a coalition government moving right of center and gaining the support of three religious groups. The resultant coalition is considered more hard line in its policies and usually provides Begin the required 61 votes in the Knesset on foreign policy issues. Further, since the elections Begin has become more powerful in the foreign policy arena and if elections were held today he and his party would probably win a larger majority in the Knesset.

In summary, Prime Minister Begin and his party represent Israel's people and policies. If Begin, because of health or other non-political reason, were to disappear from the leadership of his party, the party would remain and the policies of the Government in foreign affairs probably would not change significantly. The US must, if it proposes to continue to support Israel to the extent it has in the past, recognize these possibilities.
The Middle East continues to be a most dangerous situation in international relations. The impact of the Arab-Israel conflict on international economic relations far from exhausts the role it plays in other areas of world affairs. When countries that already have, or will soon have, nuclear weapons are also participants in one of the most serious conflicts of our day, the danger of using these weapons increases. There is already a real danger because of the deep involvement of the superpowers, the USSR and the United States, in the conflict. What happens when both sides in the Arab-Israeli conflict also have these weapons? Experts believe that Israel already has a nuclear capability, and some Arab states are close to having one.

What is the formula for obtaining a just peace in the Middle East? That is the question whose answer has eluded the best of Western and Middle East strategists for years. There are many ideas ranging from an expansion of the Camp David agreements into a common venture initiated by Egypt and backed by Israeli, Saudi Arabia and Jordan and assisted by both the United States and Europe, to deal across the board with all major threats to the region, to a "Triune" formula proposed by the Soviet Union which includes withdrawal of Israeli forces from all territory occupied in 1967, including the eastern part of Jerusalem; recognition of the Palestine Liberation Organization as the only representative of the Palestinian people, a creation of a Palestinian nation-state; and provisions for guaranteeing the security of all states and peoples inhabiting the Middle East.

The problem with all these proposed solutions is that they are self-serving and do not face the realities of the situation. True peace
most likely cannot come to the Middle East without some form of backing or at least participation by the Soviet Union and any peace proposal based on recognition of the Palestine Liberation Organization as a representative of the Palestinian people will not get to first base with Israel.

The stakes for US interests in the Middle East have probably never been higher. The Middle East is a central issue in US foreign policy. The absence of peace in the Middle East constitutes a serious threat to the security and stability of a region where, perhaps more than in any other area, significant US interests, strategic, political, and economic come together. As a world leader, the United States has a special responsibility to play an effective role in the search for a negotiated resolution to the Middle East conflict and to promote conditions that will reduce regional instability.
CHAPTER IV

ENDNOTES


5Ibid.


8Primakov, op. cit., pp. 24-25.

It is not possible from this short overview of the state of Israel and US interests in the Middle East to make any brilliant, far-reaching prophecies about what may happen in the area. To do so would be foolhardy as the situation is explosive to the point that actions that seem clear and reasonable to the average person today can change overnight into policies initiated by both sides of the Israeli-Arab conflict that appear irrational and callous and once again could lead to a war. What is possible is to draw some general conclusions from the situation as it exists today. These are:

1. Since independence in 1948, the development of Israel as a nation has been nothing short of miraculous. Even though the country has been almost totally dependent on the US for both economic and military assistance, Israel remains to the most stable country in the Middle East.

2. While Israel continues to experience difficulties in its domestic economy, the nation's dedication to ensuring survival of the state and providing a homeland for world Jewry will continue to take precedence over internal economic matters.

3. Access to oil and an interest in the economic wealth it produces will continue to be a primary US national interest in the 1980's. In this regard expansion of relations with the Arab world does not mean that the US is or is considering abandoning Israel.
4. While the Camp David agreements were a milestone in Middle East political dynamics, the Israeli-Egyptian agreements do not ensure peace in the area. The Middle East remains the most potentially explosive, dangerous area in the world today. To protect its national interests and as the recognized leader of the free world the US must take the initiative in furthering efforts to resolve the Middle East crisis. If the initiative must include inviting and accepting Soviet participation or talking directly with the Palestine Liberation Organization, so be it. What seems clear is that the situation is not going to solve itself and the chances for a war that could involve the Soviet Union and the United States increase every day.

5. The US remains committed to and will continue to support Israel. In turn, Israel must take a more realistic look at the world, take some chances, as it did with Egypt, and make some hard choice concessions to promote regional stability and peace.

No one seems to really know where to go in the Middle East. Maybe the problem is unsolvable. What does seem clear is that in the 1980's neither neglect, nor one-sidedness, nor a balancing act supported solely by the United States will produce a settlement of all the Middle East problems.
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