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LIBYA SUMMARY

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ANNEX A

Subject: Options Available in Case of Nationalization of Oil Companies in Libya

I. SUMMARY:

There is little the USG can do directly to counter nationalization of US companies in Libya. Oil companies themselves might try to boycott Libyan production and prevent its entry into the European market. The European consuming countries and perhaps smaller oil companies will want production to continue and will probably thwart boycott efforts.

Rather than risk temporary disruption and possible long-range damage by sudden and complete nationalization without compensation, Libyans are more likely to attempt to increase their control over foreign companies by forcing revisions of existing contracts. If they do nationalize, they are likely to offer some form of compensation.

II. BACKGROUND:

Thirteen American companies own 88 percent of Libya's oil production of 3.2 million barrels per day. This US investment represents a book value of \$1.6 billion and a replacement value of about \$5 billion. In 1968 oil operations by US firms in Libya contributed more than \$600 million net to the US balance of payments.

III. ACTIONS BY THE US GOVERNMENT:

Opportunities for direct action by the USG are limited.

AID: There is no US economic aid to Libya and very limited military aid. The small military assistance program could be suspended as a symbolic gesture.

CREDIT: Libya is a creditor nation, not a debtor, so cutting off ExIm or IBRD credits would have little effect.

BLOCKING BANK ACCOUNTS: The Central Bank has \$84 million in gold and \$791 million in convertible currencies, much of

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which is in dollars. Libya keeps \$150 million in short-term securities and banknotes in the US; this sum could be blocked. Even if these Libyan funds were blocked, the country would remain economically viable as long as oil exports continued.

BLOCKING INVESTMENT FUNDS: Most new investment in Libya could be done by US firms with access to European capital markets. Attempts to stop investment in Libya by stopping the transfer of funds from the US to Libya would be thus largely without effect. The USG could still attempt moral suasion in restricting investments in Libya.

Presidential action under the Trading with the Enemy Act would be required in all direct USG actions (except for withdrawal of AID funds). Before taking action under that Act, the President would have to determine that the Libyan situation is a national emergency in its own right or assimilate the situation to the 1950 Korean Proclamation which is still in effect and forms the legal basis for several regulatory programs. The Departments of Justice and Treasury should be consulted on the legal questions involved if these alternatives are actively considered.

IV. ACTION BY OIL COMPANIES:

Some American companies could be expected to take action to prevent oil exports. They would produce no oil themselves, attempt to keep others from producing the oil, attempt to keep tankers from carrying any oil produced in Libya, and prevent the consumption of such oil in European markets. It is doubtful whether the oil companies would be successful in the long run in such a boycott.

Libyans might not be greatly concerned by a temporary decline in oil production since they may believe US companies are now depleting a wasting asset at excessively high rates.

WITHDRAWAL OF PERSONNEL: Oil companies might withdraw their personnel, although Libyans would probably seek to prevent the sudden withdrawal of all technicians. Production would probably be cut back but technicians could eventually be found in Algeria, Iraq, or Communist bloc countries.

TANKERS: After a certain amount of disruption, enough tankers could probably be found which were not owned by the

major international oil companies or on long-term charter. US oil companies would try to sue those who transported oil the companies believed was theirs. Success of such efforts to a large degree would depend on the attitudes of consuming countries (almost all of which are European) in whose courts such cases would probably be brought.

ATTITUDES OF EUROPEAN CONSUMING COUNTRIES: European consuming countries have little incentive to enforce a boycott of Libyan oil by US companies. Twenty-five percent of European oil imports now come from Libya and they could not do without this oil for more than a few months without rationing. By 1971 the large number of super tankers then available will make it possible to get all of Europe's needs from sources other than Libya, but at a higher cost.

The consuming countries themselves have little direct financial stake in Libya. In fact, most European countries have their own national oil companies, such as Dominex (Germany), ELF (France), ENI (Italy) and Hispanoil (Spain), which are anxious to secure their own sources of crude supply, and which might be willing to replace the US companies in Libya under some politically acceptable arrangements. A long-term supply contract between these European companies and the Libyan government might be particularly attractive if only US companies were nationalized.

ATTITUDE OF SMALLER US COMPANIES: A prime motive of the major international oil companies in boycotting Libya would be to set an example against such action in the many other countries where they also have production. This is not true in the case of most of the smaller US oil companies operating in Libya. Occidental, Amerada-Hess, Continental, Marathon, and Phillips might be willing to renegotiate their concessions somehow since the loss of Libya would mean the loss of a substantial part of their foreign operations. They might agree to a service contract arrangement such as now exists in Iran and Algeria. The long negotiations between US firms and Algeria following the seizure of US assets there in 1967 illustrates that the attitude of the smaller companies will not necessarily be completely negative.

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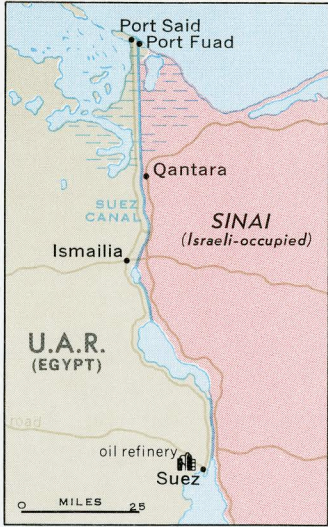
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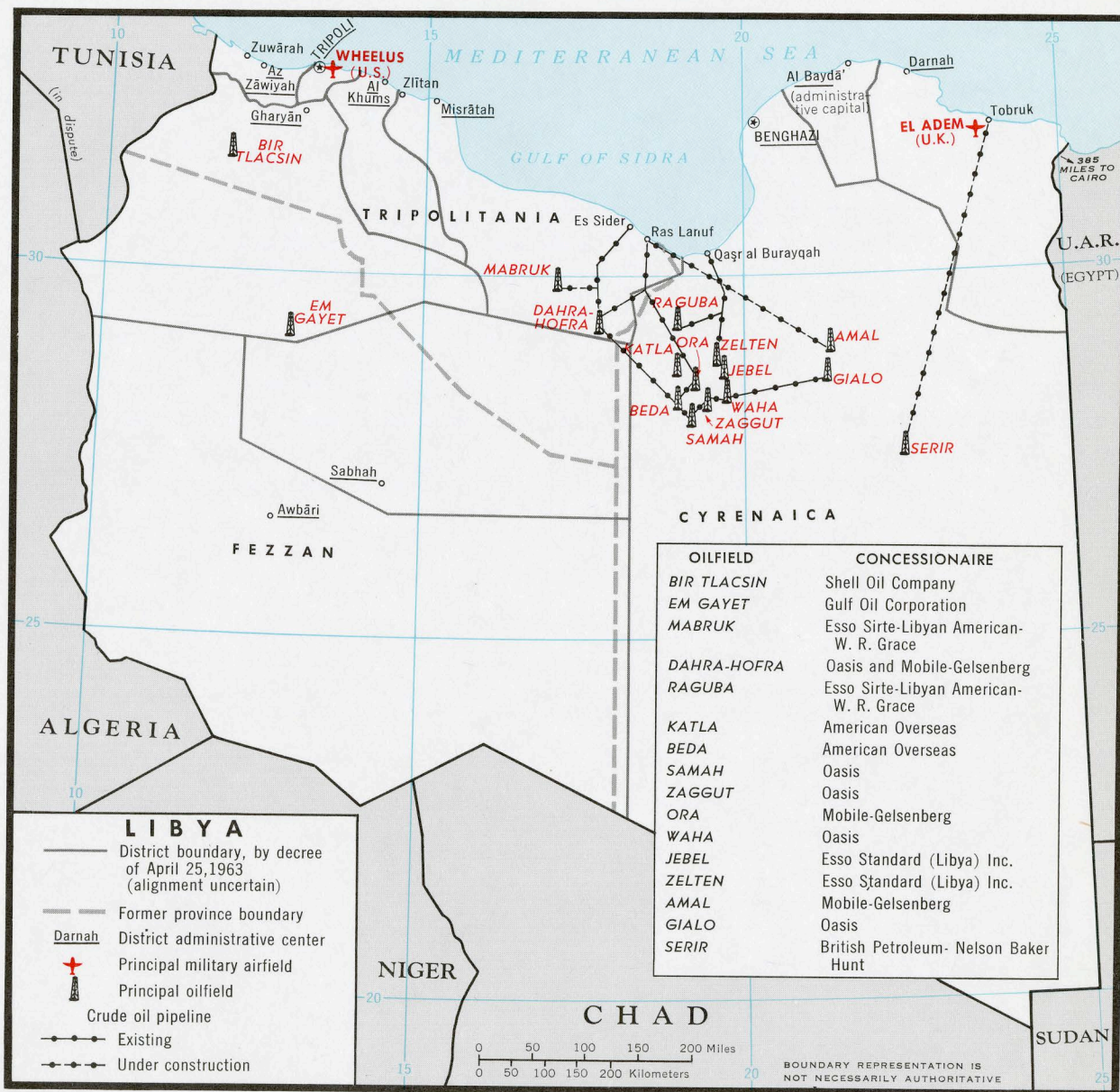
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MAPS

SUEZ CANAL AREA





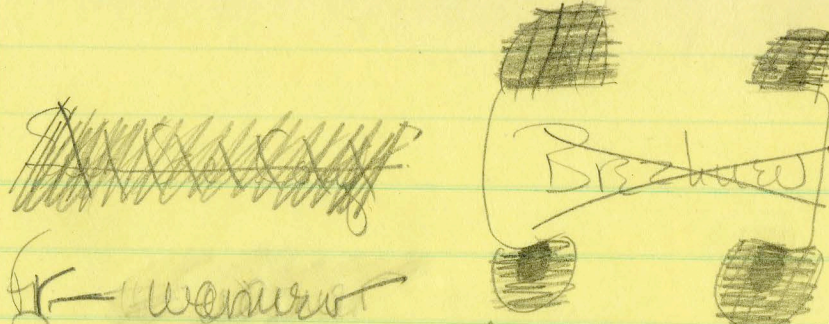
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Italian briefing - COT Briefings

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Zeer, Comm

Consultation paper app'd
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1) Cont. pres. the ME
 2) hold to cap. pos - avoid
 3) rec'd by US
 4) Pres look at
 before 4. Part

1) sit. & effect on balance -
 Hrusk/Sovs hurting
 II let Is. see them

2) actions by Arab summit
 D Rodsfiller group - no ^{Pres.} necessary
 Jordan will aid pke
 dip. apps to moderate
 Sisco + Jordanian / London

3) strategy in talks
 ER - stick w/ formulation -
 get away from specifics -
 get UK to agree that Rods
 talks are way to peace -
 shift onus from US to them
 - formulation w/ Israel
 talks don't isolate us - sit &
 US supt for Is that isolate us
 II - if succeed or fail - will press
 Israel

do tactics
 Saunders - Sud
 for progress
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 what w/ Israel

II - don't involve Sovs in Jordan side
 Reelher - can't let
 Cont. pres. talks -

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

INFORMATION #5364

SECRET/NODIS

December 9, 1969

MEMORANDUM FOR DR. KISSINGER

FROM: Harold H. Saunders *Has*

SUBJECT: Mid-East Options and U.S. Interests

You asked for my analysis of Under Secretary Richardson's formulation of U.S. interests in the Mid-East as they relate to our options. You thought you might talk to this point at the NSC December 10. Your talking points now conclude with a statement of those issues. You said you might want to "talk in" some further analysis.

Mr. Richardson's Statement of Interests

1. Arab-Israeli settlement is in our interest for several reasons: (a) We have such varied--and conflicting--interests in the area that it is easier to pursue them in an atmosphere of peace than in an atmosphere of tension. (b) A settlement should lessen the possibility of US-USSR confrontation. (c) A settlement soon may be crucial to the long-term survival of Israel since a nation of 2-3 million cannot hope in the long run to hold out against more than 80 million enemies.

2. Not worsening relations with the Arabs. (a) The U.S. has both private and national interests in the Arab countries. American investors have put a lot of capital into oil extraction, and receive a handsome annual income. The U.S. counts more than \$1 billion of that income annually on the black side of its balance of payments ledger. While the U.S. itself does not count on the supply of Mid-Eastern oil, its allies in Western Europe and Japan depend heavily on it. Those who are concerned about worsening U.S. relations with the Arabs fear (a) that at the very least U.S. companies will have their concessions trimmed or might even be nationalized and (b) that Soviet political domination of the area would give the USSR the capability in the long run to turn off the supply in a crisis.

3. Israel's survival. The U.S. does not have any formal commitment to Israel's defense, but a clear national commitment to Israel's survival does exist, whether or not ratified by the Senate.

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There is a question--generated largely by public reaction against our Vietnam involvement--whether that "commitment" would support use of U.S. forces in Israel's defense. In short, the exact nature of the commitment is vague, but it seems fair to say that the U.S. as a nation has a general interest in not seeing Israel destroyed.

4. Avoiding a confrontation with the USSR. This concern arises from two possible situations: (a) In another Arab-Israeli conflict, there is always the danger of accidental collision of U.S. and Soviet forces. (b) In the long run, if the U.S. becomes exclusively the defender of Israel and the USSR the champion of the Arabs, when the Arabs are ready to attack Israel, that could bring the U.S. and USSR into confrontation.

The Interest Mr. Richardson Omitted

At staff meeting, you identified one issue that Mr. Richardson has not mentioned:

Not getting involved in an insoluble problem.

Defining this as an interest requires consideration of the following factors:

1. The Arabs regard the U.S. as involved in the creation of Israel. Not being involved in their view would necessitate withdrawal of material support from Israel.

2. Involvement to the extent of trying to find a formula for a settlement could also mean some limitation of material support for Israel if the U.S. attempted to press for a settlement.

3. Involvement of U.S. troops (apart from evacuating American citizens) is not required by any treaty commitment and is likely to be suggested in the Arab-Israeli context only when Israel appears no longer able to defend itself. This is, of course, an argument for not withdrawing material support for Israel.

U.S. Options in the Light of These Interests

The NSC is considering three broad options. These are listed below along with the effect that following them would have on each of the interests above.

1. Letting present talks and U.S. involvement in the peace-making effort peter out.

--Arab-Israeli settlement would become somewhat less likely. Local forces, if left on their own, are not likely to produce a negotiation. They are more likely to drift into another conflict.

--Not worsening relations with the Arabs. The Arabs would see our disengagement from peace-making efforts as leaving the Israelis with their superior power to parlay their conquests into a dictated peace. They would regard this as a pro-Israeli act.

--Israel's survival. In the short-run, this would not be affected. The U.S. would be asked to underwrite Israel's strategy of maintaining pressure on the Arabs. That would give the Arabs one more U.S. act to regard as directed against them. In the very long run, it is questionable whether Israel can stand off the Arabs alone.

--Avoiding US-USSR confrontation. In the short run, this would not be affected, except insofar as the continuing tension leaves the possibility of accidental collision. In the longer run, the possibility of confrontation might be increased since the U.S. would be Israel's defender and the USSR champion of the Arabs.

2. Continuing the present combination of talks.

--Arab-Israeli settlement. The Four Power talks will contribute little. The US-USSR talks might if the USSR were willing to press Cairo; there is no significant evidence of this yet.

--Not worsening relations with the Arabs. The Arabs keep putting hope in an international effort to get their territory back. As long as the talks go on, this seems to keep alive the hope of a political settlement. At some point, however, even they will regard the talks as a dead end if they produce nothing. If they do not produce a

settlement and the US is blamed for the failure our relations with the Arabs could be worsened.

--Israel's survival. Little immediate effect unless it can be argued that these talks are delaying the day when the Arabs face up to the need to come to terms with Israel.

--US-USSR confrontation. Chances are probably lessened by talking, but communication does not depend on the present combination of talks.

3. Find a new combination of peace-making efforts.

--Peace settlement. It seems likely that there will be a peace settlement under only two conditions: (1) Massive pressure on the belligerents from outside powers. (2) A realization by one or both parties that the price of the war of attrition has become so great that they would change their negotiating positions. The second approach would be taken by U.S. disengagement from both peace-making efforts and from extensive material support of Israel. If we believed that a settlement, if there is to be one, must be imposed, then we would have to think about a new combination of talks (principally mediation of Israel-Jordan talks plus whatever we could get out of US-USSR talks) because the present combination is not likely to produce a settlement.

--Not worsening relations with the Arabs. This would depend in the end on what we produced or failed to produce. But for a time, the effort would slightly improve relations.

--Israel's survival would not be affected in the near term. The long-range effect would depend on whether the U.S. effort produced a viable settlement or simply delayed the day of Arabs and Israelis coming to terms with each other.

--US-USSR confrontation. Not immediately affected. In the long run, would depend on whether chances for a settlement improved.

Conclusions are not needed for the NSC discussion, but for the sake of discussion between us it might be worth tentatively turning the above considerations around to see how each interest is affected by each option.

1. Settlement may not be possible until both sides decide the costs of the present strategy are too high or until massive outside pressure is brought to bear.

-- Letting the talks peter out would increase pressure on the Arabs. But they might move in non-rational desperation toward a hoped-for military solution rather than into negotiation. This might mean that the probable consequences of letting the talks peter out would be one of two: (1) the USSR--if not the UAR-- would respond to the pressure and press the UAR; or (2) another conflict would provide the trauma needed to bring the Arabs to negotiation.

-- Continuing the present combination of talks will probably not produce a settlement unless the USSR presses the UAR harder.

-- Finding a new combination of talks--possibly US mediation of a Jordan-Israel settlement and continued US-USSR talks if the USSR shows new willingness to press the UAR. If any settlement is possible in the current context--and that is questionable--it would be through some such combination.

2. Avoid worsening US-Arab relations.

-- Letting the talks peter out would contribute to worsened relations, especially if the U.S. then initiated large new economic and military assistance for Israel.

-- Continuing the present combination would help stem erosion but only so long as some promise of progress remained.

-- A new U.S. effort would have the best prospect of stemming erosion, but again only so long as promise of progress remained.

3. Israel's survival.

-- Letting talks peter out. The Israelis believe this is the only choice since this alone in the end will force the Arabs to come to terms with them. But even they cannot say that even another

Arab defeat would accomplish that. They see their long-run survival almost entirely of a fortress Israel.

- Continuing present talks is unlikely to affect one way or another since the talks are likely to be unproductive.
- Finding a new combination of talks could enhance Israel's survival only on these conditions: (1) if it produced a fair negotiated settlement, and (2) if the Arab governments which negotiated it survived to enforce it and (3) if those governments could suppress the fedayeen.

4. Avoiding a US-USSR confrontation.

- Letting talks peter out would increase chances only in the long run.
- Continuing the present talks would not significantly affect one way or the other.
- A new mediation effort would affect only insofar as it contributed to a settlement or failed to produce one.

A final word. It seems to me that this just takes us around in circles. The basic issue, as I see it, is: What priority do we assign to each of these interests?

--If it is a settlement because a settlement is necessary for us to pursue our conflicting interests, then we would see how far we could get toward producing a fair settlement. Maybe we would fail but we would end up able to say we had made the maximum effort reasonable.

--If it is stemming the erosion of US-Arab relations, we would make a maximum effort to produce Israeli withdrawal in the context of reasonable security arrangements.

--If it is assuring the survival of Israel, we could probably do this for some time--though not over the long run perhaps--with full military and economic aid.

--If it is avoiding a US-USSR confrontation, this could logically be done by accepting Soviet dominance.

--If we want to avoid involvement, then we should logically disengage from both sides of the problem.

Some of the above are extreme statements because it is the essence of our position in the Mid-East that we want to pursue all of these interests in some balance simultaneously. But still, the first step in setting our course, it seems to me, is to determine what nuances of priority we assign to each. Only then can we construct a policy which accepts losses in the least damaging areas and attempts to limit damage or danger in the most sensitive areas.

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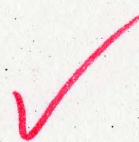
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THE SECRETARY OF STATE
WASHINGTON

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MEMORANDUM FOR THE PRESIDENT

Subject: Strategy in Four Power Talks on
the Middle East

We have made a fundamental assessment of our over-all strategy in the Four Power talks in light of four principal considerations:

(a) That our fundamental policy goal should remain a comprehensive and final Arab-Israeli settlement, based on the principles that the Arabs accept the sovereign existence of Israel and agree to live in peace with it, that Israel in return withdraws (with certain specified exceptions) from Arab territory occupied in 1967, and that the two sides negotiate the detailed security and other arrangements under Ambassador Jarring's auspices and sign peace agreements between them;

(b) That neither Nasser nor the Israelis are ready at this time to make the necessary compromises to achieve such a settlement;

(c) That it is unlikely we will be able to achieve common ground between ourselves and the USSR, particularly in light of the stiff position the Soviets have taken at the outset in the Four Power talks and their apparent unwillingness to influence Cairo's position;

(d) That it is likely the French and to a lesser degree the British will take positions in the Four Power talks which, so long as we maintain our fundamental policy goals, will isolate us diplomatically and in the Arab world.

These four considerations lead us to conclude that our strategy in the Four Power talks should have as its prime objective as much improvement as is possible in our

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over-all position and image in the area and subsequent disengagement from the major power talks. We believe we should further develop our balanced position, which contains the principal elements of what we would consider to be a reasonable settlement which meets several criteria: it would continue to protect Israel's security; it would be fair to the UAR, Jordan and Israel; and it would be consistent with the assurances you gave to Hussein in April regarding the Jordanian aspect of the settlement.

In the context of our bilateral talks with the USSR, we have already adopted a balanced position on which we should stand very firm. This position would require Israel to withdraw from UAR territory to the international border which existed before the June war in return for a specific UAR commitment to make peace with Israel and a further UAR commitment to negotiate on the basis of the so-called Rhodes formula the practical security arrangements for the Sharm al-Shaykh area, the demilitarized zones in the Sinai, and the final arrangements for Gaza.

As you know, we await the Soviet reply, and it is our judgment that we should categorically reject any attempt by the French, the British, or the Soviets to try to add details to this proposal which would throw it out of balance.

We have developed a parallel proposition as it relates to the Jordanian aspect of the settlement which is spelled out point by point for the purposes of illustration in the Enclosure. The Jordanian position which we are recommending is consistent with your conversation with King Hussein. In exchange for a Jordanian commitment to negotiate with Israel on the basis of the Rhodes formula, and a commitment to a binding peace with Israel, the latter would be expected to commit itself to a withdrawal from the West Bank, subject to satisfactory negotiations between Israel and Jordan of minor changes in arriving at the final border. In addition, our proposal would leave it to the parties to negotiate the questions of demilitarization arrangements, refugees and Jerusalem on the basis of open formulations which would not prejudice either side's position.

This proposal would be criticized by both Israel and Jordan. Israel would not like the provision for withdrawal

from the West Bank, even though the U.S. officially transmitted to King Hussein in July 1968 the Israeli position on Jordan that if Hussein was willing to make peace with Israel and to negotiate with it, "most, if not all, of the West Bank would be returned to Hussein." Our proposal would also leave open for negotiations, principally between Jordan and Israel, the final disposition of Gaza, our view being that it ought to go to Jordan in return for the border adjustments which Jordan seems prepared to give to Israel.

Jordan would also be critical of this proposal since it leaves the key question of ultimate sovereignty over Jerusalem untouched and for the parties to negotiate.

The advantage of making such a proposal at an early date in the Four Power context is two-fold:

(a) Taken together with the proposal we have made on the UAR-Israeli aspect of the settlement, this proposal is balanced and is justifiable at home and abroad, and we can stand on it for an indefinite period; and

(b) If Ambassador Yost takes the lead on it, it will help preempt the situation and deny to the Soviets a good deal of the initiative which they seem to want to exploit from a propagandistic point of view by pegging out the most extreme position by calling for total withdrawal of Israeli forces from all occupied territory, including Jerusalem and Syria.

Insofar as Syria is concerned, we should continue to avoid taking any position and to let sleeping dogs lie. If and when Syria should decide to accept the Security Council Resolution we should face up to that problem at that time. We certainly should not agree at this juncture to any Soviet proposal which calls for Israeli withdrawal from the Golan Heights.

Hussein's private assistant, Zaid Rifai, is meeting with Joe Sisco in London on December 12 and Foreign Minister Eban will be meeting with Secretary Rogers on December 16. This will afford us an opportunity to discuss these proposals with them, more in the nature of

informing them what we have in mind, rather than giving a veto or with the intention that we can achieve common ground between them. We can expect from Eban a firm reiteration of Israel's opposition to major power peace efforts and to substantive positions we have taken, particularly on the territorial question. Eban will probably make a major pitch for U.S. endorsement and support of Israel's strategy vis-a-vis the Arab world for the years ahead.

Our assumption is that after we have played out this string, this will afford an opportunity for us to disengage from the major power talks but to do so on the basis of reasonable and comprehensive proposals which would stand and be available for the parties to pick up if they come to that point.

The course I am recommending is unlikely to produce a Four Power consensus or a settlement in the near future, and it therefore has certain risks of which you should be aware:

(a) It will not reverse the trend toward our being isolated with Israel and under fire in the Arab world. In the final analysis, that trend probably cannot be reversed no matter what position we take so long as Israel remains in occupation of Arab territory and we are seen to be supplying Israel militarily.

(b) It will not end the present war of attrition on the ceasefire lines or Palestinian guerrilla attacks on Israel, which will continue to be mounted to the full capacity of Nasser and the UAR and could escalate toward more general hostilities.

On the other hand, this course will give us a more balanced position in the eyes of the world, and one which might eventually provide a starting point for a negotiated settlement when and if the pressures of the existing situation on both sides and on the Soviets render them more willing to make concessions. So long as Israel preserves its considerable military lead, it will also leave us relatively free of direct involvement in the area. And, because we will have made clear our opposition to the kind of Israeli territorial acquisitions many

Israelis have in mind, our position will give our moderate Arab friends something to work with and might help slow the rate of polarization in the area. These advantages would be enhanced if we could prevail upon Israel publicly to accept our position on withdrawal and borders (conditioned on the Arabs being willing to negotiate detailed peace settlements under Jarring), before committing ourselves to further military and economic support. As you know, Israel has requested massive assistance designed to help it stand pat on its present position, if necessary for the next five years or more. Israel will, of course, strongly resist accepting even our present balanced position on a settlement.

The only alternative policy course to the foregoing would be for us to proceed in the Four Power talks to seek to write the detailed terms of a settlement. Even then, the chances of reaching a major power consensus and a settlement would be minimal unless we were prepared to erode our fundamental goal of a comprehensive and final Arab-Israeli peace agreed between the parties. If we did so erode, any effort to get Israel to accept would involve a showdown of major proportions without the likelihood of convincing the Israelis. The situation in 1969 is not the same as in 1957, and we are in considerable trouble with the Israelis as it is even on the basis of our present position. In the highly unlikely event that we did prevail upon Israel to accept, our problems in the Arab world would be ameliorated, but the settlement would not guarantee against renewed Arab-Israeli hostilities at some future time, with the risk of greater direct U.S. involvement than is the case if the present status quo continues or if a settlement is reached between the parties themselves.

William P. Rogers

Enclosure:

Fundamental Principles for
a Jordanian-Israeli Settlement

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

TOP SECRET

December 8, 1969

MEMORANDUM FOR HENRY KISSINGER

FROM: Harold H. Saunders *Hand*
Richard T. Kennedy

SUBJECT: NSC Meeting on Middle East - December 10, 1969

Attached are your book and the President's briefing and background books.

The President's briefing book includes your cover memorandum, his "Talking Points," "Middle East Issues for Decision" and Maps of the area. His background book includes the "Analytical Summary of the Middle East Negotiating Situation" and Summary of the WSAG Review of Lebanon and Libya Contingencies.

We have proposed that you open by summarizing Lebanese contingency planning. Then after briefing by Mr. Helms on the situation in the Middle East, you lead the discussion of Middle East issues. As you know, the Middle East papers are designed to provide a basic review of our policy. We have included the Libyan paper in case there is time, as you requested.

Your book contains -

Your Memorandum to the President.
The President's Talking Points.
Your Talking Points (each topic separately tabbed).
Issues for Decision--Middle East.
Analytical Summary--Middle East.
Summary of WSAG Lebanon Review.
Summary of WSAG Libyan Review.
Maps of the Area.

Attachments:

Briefing Books for NSC Middle East Meeting

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NATIONAL SECURITY COUNCIL

Hal Saunders tells me that HAK is looking for the attached draft memo from Secretary Rogers to the President which was done by Joe Sisco.

I have also attached for HAK's reference a copy of the Secretary's cabled comments.



ASSISTANT SECRETARY OF STATE
WASHINGTON

December 5, 1969



SECRET/NODIS

MEMORANDUM FOR: Mr. Henry Kissinger
The White House

FROM: Joseph J. Sisco *js*

Attached is an advance copy of a memorandum which I prepared for the Secretary's consideration. I do not know whether he will agree with the course of action which I have recommended. As you will note, the paper begins to look to ways in which we can disengage from the Four Power talks on the basis of a position which can be considered reasonable and balanced.

The recommendation is based on the assumption that neither side is ready to make the necessary concessions and that the Soviets are unwilling at this time to go beyond Cairo's position or to press Nasser to a reasonable compromise.

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Department of State

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TELEGRAM

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FOR SECRETARY, UNDERSECRETARY, SISCO AND DEPALMA

1. FOLLOWING ARE MY COMMENTS ON DRAFT MEMO FOR PRESIDENT ON STRATEGY FOR FOUR POWER TALKS. WITH MUCH OF IT I AGREE. MY MAIN RESERVATION IS THAT IT PROPOSES EARLY DISENGAGEMENT WHEN TALKS HAVE ONLY JUST RESUMED AND ATTITUDE OF OTHER THREE IS STILL FAR FROM CLEAR.
2. AS TO FOUR PRINCIPAL CONSIDERATIONS ON PAGE ONE, I AGREE ENTIRELY WITH FIRST TWO- THAT OUR FUNDAMENTAL GOAL SHOULD BE COMPREHENSIVE AND FINAL ARAB-ISRAEL SETTLEMENT AND THAT NEITHER NASSER NOR ISRAELIS ARE READY AT THIS TIME TO MAKE COMPROMISES NECESSARY FOR SUCH SETTLEMENT.
3. I AM INCLINED TO AGREE WITH THIRD CONSIDERATION- THAT IT IS UNLIKELY WE WILL BE ABLE TO ACHIEVE COMMON GROUND WITH SOVIETS- BUT THINK IT PREMATURE DEFINITELY TO SO DECIDE. SOVIETS ARE STILL SPARRING. CLEAR POSITION MAY OR MAY NOT EMERGE AFTER ARAB SUMMIT. IN ANY CASE IT IS OF UTMOST IMPORTANCE THAT, IN ORDER TO AVOID CONFRONTATION, WE CONTINUE TO TALK WITH SOVIETS ABOUT MIDDLE EAST.
4. I DISAGREE WITH FOURTH CONSIDERATION. FRENCH AND BRITISH AGREE WITH OUR FUNDAMENTAL POLICY GOALS. THEY DIFFER WITH US, IN VARYING DEGREES ON TACTICS. WE HAVE BELIEVE IT IS NECESSARY, IN ORDER TO PERSUADE ISRAELIS TO MOVE AT ALL, THAT FOUR POWER GUIDELINES, WHILE BEING PRECISE ON BOUNDARIES AND COMMITMENTS TO PEACE SHOULD LEAVE SUBSTANTIAL OPEN AREAS FOR NEGOTIATION BETWEEN ISRAELIS AND ARABS UNDER RHODES-TYPE FORMULA. FRENCH AND BRITISH HAVE BEEN DOUBTFUL THAT SUCH NEGOTIATIONS WOULD IN FACT GET ANYWHERE WITHOUT GUIDELINES FROM FOUR ON ALL MAIN POINTS. I REPEAT: THIS IS TACTICAL NOT POLICY DIFFERENCE.
5. BRITISH ARE PREPARED TO TRY OUT OUR TACTICS, PRIMARILY BECAUSE THEY BELIEVE URGENCY OF SITUATION REQUIRES GETTING JARRING UNDER WAY VERY SHORTLY WITH AT LEAST PRELIMINARY GUIDELINES. FOR SAME REASON IT MAY BE POSSIBLE TO

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TO DO LIKEWISE. WE SHOULD CONTINUE TO TRY. IF WE SUCCEED, LINEUP AMONG FOUR WILL BE THREE TO ONE, NOT ONLY ON POLICY AS IT ALREADY IS, BUT ALSO ON TACTICS.

6. IN ANY CASE FOR US TO DISENGAGE FROM FOUR BEFORE BRITISH AND FRENCH ARE CONVINCED IT IS ABORTIVE ENTERPRISE WOULD BE LIKELY TO DO EXACTLY WHAT WE ARE TRYING TO AVOID-- CAUSE THEM TO LINE UP WITH AND ISOLATE US DIPLOMATICALLY. MOREOVER, IF FOUR POWER EFFORTS BREAKS DOWN, WE ARE PRACTICALLY CERTAIN TO BE BROUGHT BACK INTO SECURITY COUNCIL, WHERE IT WILL BE OF UTMOST IMPORTANCE THAT BRITISH AND FRENCH BE WITH US, OR AT LEAST NOT AGAINST US.

7. WITHIN FOUR POWER CONTEXT I FAVOR PURSUING OUR PRESENT TACTICS AND TRYING TO BRING BRITISH AND FRENCH ALONG. HOWEVER OUR TACTICS AS DISTINCT FROM OUR POLICY, DO NOT NEED TO BE FROZEN IN CONCRETE. REASON WHY IN OUR PROPOSALS WE INSIST ON LEAVING SUBSTANTIAL AREAS OPEN FOR NEGOTIATION BETWEEN PARTIES IS THAT WE BELIEVE ONLY BY SO DOING CAN WE GET ISRAELIS ABOARD. IF EVENTS IN COMING WEEKS-- OUR CONVERSATIONS WITH EBAN AND RIFAL, RABAT SUMMIT MEETING, SOVIET ATTITUDE -- DEMONSTRATE THAT CONSIDERATION (B) ON DRAFT MEMO TO PRESIDENT IS CORRECT-- NEITHER NASSER NOR ISRAELIS ARE READY AT THIS TIME TO MAKE COMPROMISES NECESSARY FOR SETTLEMENT-- IT MAY BECOME CLEAR THAT RHODES-TYPE NEGOTIATIONS UNDER PRESENT CIRCUMSTANCES ARE OUT OF QUESTION. IN THAT CASE OUR IMMEDIATE TACTICAL OBJECTIVE WOULD BE NO LONGER TO GET EITHER ISRAELIS OR ARABS ON BOARD BUT RATHER, IN WORDS OF DRAFT MEMO, TO "GIVE US A MORE BALANCED POSITION IN THE EYES OF THE WORLD" AND TO "PROVIDE A STARTING POINT FOR A NEGOTIATED SETTLEMENT WHEN AND IF THE PRESSURES OF THE EXISTING SITUATION ON BOTH SIDES AND ON THE SOVIETS RENDER THEM MORE WILLING TO MAKE CONCESSIONS." WITH SUCH OBJECTIVES IN MIND WE MIGHT FEEL AT A LATER STAGE THAT MORE DETAILED FOUR POWER PROPOSALS, IF FAIR AND REASONABLE ONES WERE FEASIBLE, WOULD BE EXPEDIENT AND IN OUR INTEREST.

8. IN SUMMARY, I RECOMMEND WE TAKE THE IMMEDIATE STEPS PROPOSED IN THE DRAFT MEMO BUT THAT WE NOT REPEAT NOT PLAN TO DISENGAGE FROM THE FOUR POWER TALKS UNTIL THE POSITION OF ALL PARTIES HAS BECOME CLEARER AND UNLESS AND UNTIL THE BRITISH AND FRENCH ARE ALSO CONVINCED THAT THE TALKS HAVE BECOME COUNTERPRODUCTIVE OR FURTILE.

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9. FINALLY, I WOULD SUGGEST THAT THE REALLY CRITICAL DISCUSSIONS DURING COMING WEEKS WILL BE OURS WITH THE ISRAELIS. IF THEY PURSUE THEIR PRESENT POLICY OF HOLDING ALL OCCUPIED TERRITORIES BY FORCE, OF INSISTING ON NEGOTIATING DIRECTLY WITH ARABS, OF REJECTING UN AND FOUR POWER MEDIATION, AND OF GIVING STRONG IMPRESSION THEY EXPECT TO ANNEX SUBSTANTIAL PIECES OF ARAB TERRITORIES, INCLUDING ALL OF JERUSALEM, I AM CONVINCED BOTH THEY AND WE WILL FIND OURSELVES IN GRAVEST DIFFICULTY OVER NEXT TWO OR THREE YEARS. THEY WILL FIND IT INCREASINGLY ONEROUS TO COPE WITH MOBILIZED HOSTILITY OF WHOLE ARAB WORLD AND WITH GUERILLA WAREFARE BY RADICALIZED PALESTINIANS, AND WILL INCREASINGLY ASK US FOR MORE MILITARY, ECONOMIC AND POLITICAL SUPPORT. IF WE GRANT MORE SUPPORT THAN WE ALREADY HAVE, OUR POSITION AND INTEREST THROUGHOUT ARAB WORLD, AND THOSE OF OUR MODERATE FRIENDS THERE, ARE LIKELY TO BE TOTALLY DESTROYED. DIVISIVE EFFORTS OF SUCH SITUATION ON PUBLIC OPINION IN THIS COUNTRY, PARTICULARLY IN CONTEXT OF VIETNAM, CAN WELL BE IMAGINED.

10. I SHOULD HOPE, THEREFORE, THAT DURING EBAN'S VISIT WE WOULD TELL HIM VERY CANDIDLY WE CONSIDER PRESENT ISRAELI COURSE TO BE DANGEROUS TO THEIR AND OUR INTERESTS AND THAT IF IT IS PURSUED WITHOUT MODIFICATION WE CANNOT PROMISE CONTINUED SUPPORT OF THE MAGNITUDE WE BELIEVE THEY WILL BE ASKING. OF COURSE WE SHOULD TAKE A SIMILAR LINE WITH THE ARABS BUT THERE, SINCE OUR LEVERAGE IS SO MUCH LESS, WITHOUT ANY REAL HOPE OF MOVING THEM UNLESS WE CAN FIRST MOVE THE ISRAELIS. GP-1

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ELEMENTS OF A TENTATIVE COURSE OF ACTION

Assumption: The U. S. position would be improved if Israel accepted its position.

Objective: To persuade Israel to accept that position -- Israel will withdraw if adequate security arrangements are negotiated -- and to try to mediate an Israel-Jordan settlement.

Assessment: This would require heavy pressure -- or costly inducement -- on Israel. The odds are probably against success. But this harder option ought to be examined. Some of its elements might be:

1. Four Power talks: Stand firm on our present position and plan to disengage as quickly as possible, though perhaps waiting until after the Arab summit (December 20). Maybe Christmas recess is a natural opportunity.
2. US-Israeli consultations: Tell Eban that we:
 - are prepared to disengage from Four Power talks;
 - believe our interests require a settlement;
 - ask Israel to cooperate with us on a Jordan settlement;
 - assure Israel that we will not further change our negotiating position and ask Israel to accept the essentials of that position (will withdraw if satisfactory security arrangements negotiated).

At the time of the talks with Eban, we would still be a couple of weeks short of our military and economic aid decisions. They would then be considered in the light of Israel's response.

3. US-USSR talks on UAR. Leave these where they are until after we have sorted ourselves out with Israel. If Israel's response gave us something to work with, we could tell Dobrynin -- if there had been no response in the meantime -- that Israel had done all that could be expected and we proposed ending the US-USSR talks unless Moscow was in a position to deliver Egyptian agreement. If we get nowhere

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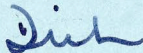
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with Israel (as is likely), we can let the USSR talks stay where they are.

4. US-Jordan consultations: Discuss elements of a Jordan-Israel settlement in precise terms to see how far we have to press Israel.

MEMORANDUM FOR: Dr. Henry A. Kissinger

If you have not seen this upcoming article, you may want to cast your eye over the last couple of pages, particularly in light of the NSC meeting tomorrow.



Richard Helms

Attachment

"Zero Hour for the Middle East"

9 December 1969
(DATE)

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49TH YEAR

The
Reader's Digest

Clement
JANUARY 1970

An article a day of enduring significance, in condensed permanent booklet form



Can anything be done to defuse the bitter Arab-Israeli crisis? This expert thinks so—and makes some pointed suggestions regarding U.S. policy

ZERO HOUR FOR THE MIDDLE EAST

BY WILLIAM E. GRIFFITH

WITH THE Middle East moving toward yet another war, the United States is once more cast in the role of automatic loser. If war does erupt—and that prospect seems more and more likely at this mid-November writing—the Israelis will almost certainly win, as they have won three other wars with the Arabs in the last two decades. But,

instead of peace, an Israeli victory will only set off a renewed cycle of conflict. And the longer the cycle continues, the more the Soviets gain and America loses. Still, it is not too late for the United States to do something about this dismal trend.

The mood of anti-Americanism that currently prevails among many Arabs is, to a degree, unavoidable. Now that Britain is withdrawing from the Middle East, the United States will soon be the sole Western power that maintains a presence in the area. Thus it inevitably has inherited traditional Arab hostility toward the West, a hostility that stems from decades of Western domina-

WILLIAM E. GRIFFITH, professor of political science at M.I.T.'s Center for International Studies, also serves as professor of Soviet diplomacy at the Fletcher School of Law and Diplomacy at Tufts University. He recently visited Egypt, Israel, Jordan, Saudi Arabia, Iran, Lebanon and Kuwait for an on-the-spot study of the Middle East situation.

tion over the Arab world. At the same time, however, some of this anti-Americanism stems from factors under our control—chiefly the excessive favoritism that we have shown for Israel, at the expense of the Arabs.

Quite properly, the United States is committed to supporting Israel's security and integrity. Israel is, after all, our most important Middle Eastern ally. But we should no longer be tied to all of Israel's policies. The United States has important interests not only in Israel, but in the Arab states as well. It cannot and need not back either side totally.

of **A Russian Dream.** The Arab-Israeli conflict has taken on new urgency for the United States because of the rapid spread of Soviet influence in the Middle East. Soviet penetration of the Arab lands, indeed, is one of Russia's major diplomatic victories in modern history. For centuries, the tsars dreamed of expanding their influence into that part of the world; until 1955, however, such dreams came to nothing. Today, by contrast, Russia is the most influential foreign power in many Arab states.

Pro-Soviet radical regimes have come to power in Egypt, Syria, Iraq, Algeria, South Yemen and the Sudan. The Soviets have given Arab countries some five billion dollars in economic and military aid in the last 12 years—about one half of all Soviet foreign aid in that period. More recently, the Soviets have moved a naval fleet of 30 to 60 ships

into the Mediterranean, and have been given shore facilities in some of the radical Arab states.

Moreover, the Soviet Union, which will need to import oil in the 1970s, is paying new attention to the fabulous oil fields of the Middle East and North Africa. These fields account for one third of current production in the non-communist world, and three fourths of the non-communist world's known reserves. The Iraqi government has already given the Russians rights to develop the rich North Rumaila oil field near the Persian Gulf—a field taken away from a Western-owned company. *2*

The Kremlin seeks neither war nor peace in the Middle East. For several months, Soviet and American diplomats have been holding talks on a possible settlement for the continuing crisis. It is increasingly apparent, however, that the Soviets seek only to lessen the risk of outright war, not to bring about a genuine peace. In this way, they hope to make the radical Arab states ever more dependent on Soviet arms, and to put them ever more under Soviet political and economic influence. All the while, America, as Israel's protector, becomes ever more hated by the Arabs. This is a trend we simply cannot allow to continue.

Added Intangible. At one time after the 1967 war, many Israelis were ready to return the territories that Israel took from Egypt, Jordan and Syria in the war. Now, though, with a fourth war threatening, Israel

Israel

is consolidating its hold on the conquered territories, and there is growing talk of outright annexation.

This does not mean, as the Arabs maintain, that Israel is deliberately expansionist. The only thing the Israelis want is peace—to be left alone by the Arabs. They expand only because of fear. The Arabs argue that asking for peace is like asking that a robber be permitted to keep his ill-gotten gains. They say that a grave injustice was done when the state of Israel was created in 1948 from what had been a predominantly Arab-settled Palestine. And, they add, they intend to recover their lands.

At least for the foreseeable future, however, Israel is in no danger of being overwhelmed by the Arab armies. Quite apart from actual military hardware, Israel has one tremendous advantage over the Arabs: it is a highly developed, Western-style nation. By contrast, many Arab countries are still backward and impoverished. Israel's soldiers are well educated and able to operate the most complex instruments of electronic warfare. Egyptian troops are often in poor health, and frequently unable to read even the simplest training manual. And there is an added intangible: the Israelis are fighting for their very survival as a nation; among the Arabs, this is true only of the Palestinians.

Bitter Price. Even so, Israel is starting to pay a bitter price for the continuing military rule it has imposed on the more than one million

Arabs on the west bank of the Jordan River (which had been Jordanian territory), in the Gaza Strip and on the Sinai Peninsula (formerly ruled by Egypt), and on the Golan Heights of Syria. Israel so far has been a democracy, but it is moving toward a garrison state. Houses of people suspected of cooperating with Arab guerrillas are blown up. People are imprisoned without trial. Citizens of the occupied territories by birth are expelled to Jordan—all without judicial process.

Israel's armed forces are not militaristic in spirit, and its people and government do not want to tyrannize the Arabs. Yet the force of circumstances is pushing Israel in that direction, and this, inevitably, will degrade its national life.

On the Arab side, the most ominous development is the rise of extreme Palestinian nationalism, chiefly as represented by the *fedayeen*, or Palestinian guerrilla movement. Many *fedayeen* (the name roughly translates as "martyrs") are the children of the original Palestinian refugees of 20 years ago. Often they have been born and raised in squalid refugee camps. Most are still homeless exiles. The leaders, relatively well educated, are the ablest and most modernized of the Arabs.

Just as the Jewish struggle led to the creation of Israel as a nation in 1948, so is the *fedayeen* struggle creating a new Palestinian nation. And while Nasser and the Russians lean toward eventual negotiations between the Arabs and the Israelis,

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The *fedayeen* have an intransigence that matches, if it does not exceed, that of the most hawkish of the Israelis. At one *fedayeen* camp that I visited in Jordan, children from 7 to 17 years of age were being trained as guerrillas. I was escorted to the camp office by two ten-year-olds who were toting Soviet "Kalashnikov" submachine guns.

What America Can Do. Given the complexity and intensity of the problems in the Middle East, it is obvious that no quick solution can be found. But the United States can and should take certain steps now which would lessen the threat of war, check the spread of Soviet influence, and reverse the decline in American prestige among the Arabs.

First, the United States and other Western powers should maintain a decisive naval predominance in the Mediterranean, to offset the growing Soviet naval presence there. Both the Russians and the radical Arabs should be given to understand that we do not intend to let that region go by default. Second, in view of our worldwide commitments, the United States cannot hope to be influential in each and every country in the Middle East. But we can and should concentrate our diplomacy, financial aid and other efforts in building up those countries which are still more or less friendly to us—Iran, Turkey, Israel, Saudi Arabia, Jordan, Lebanon, Kuwait, Tunisia, Morocco and the sheikhdoms on the Persian Gulf.

The radical Arab states—Egypt, Syria, Iraq, Algeria, South Yemen, the Sudan—can be left to learn by bitter experience the dangers of getting entwined in the Russian imperial embrace. In time, however, we may succeed in restoring better relations with those countries as well.

Third, we should leave no doubt in the minds of the rulers in the Kremlin or of the Arab nations about our intention to help defend Israel. But we should make it equally plain to Israel that we are unalterably opposed to another preemptive war. If necessary, we could warn Israel that we would suspend arms deliveries if it started another such war. Then, to take some of the explosiveness out of the current situation and to restore some of our tarnished prestige among the Arabs, we should urge Israel, using arms deliveries as a lever, to take at once two relatively small but highly important steps: 1. To agree to international control over the Old City of Jerusalem, an area of less than a square mile which is a religious center for Muslims and Christians as well as for Jews. 2. To abandon its paramilitary agricultural settlements along the Jordan River, in the Gaza Strip and on the Sinai Peninsula. These settlements are regarded by the Arabs as symbols of Israeli expansionism, and are not really necessary for Israeli security. Military outposts would do just as well.

Peace Package. On a long-range note, the United States should immediately make public a specific

plan for a Middle East settlement—a plan that disengages us from all-out support for Israel and puts us on a more evenhanded course. Such a plan would include the eventual evacuation by Israel of all territories seized in 1967, except for the Golan Heights. In view of 20 years of Syrian attacks from those hills, Israel should be allowed to keep her position there for security reasons.

But the other territories—the West Bank, Gaza Strip, Sinai Peninsula and East Jerusalem—should be handed back. Some leading Israelis claim that Israel needs these territories to ensure its defense; in actual fact, Israel has little to gain and much to lose, including its priceless democratic way of life, if it clings to them. To protect Israel from future attacks as well as to reassure the Arabs, a United Nations force should be stationed on both sides of the frontier—to block *fedayeen* attacks on Israel and Israeli raids on the Arab states. It is most important that this force be made up of soldiers from countries that are genuinely neutral in the Arab-Israeli dispute—countries such as Ireland and Sweden—and not from countries such as India and Yugoslavia, which, though they have contributed to previous peace-keeping efforts, are strongly pro-Arab. Ar-

rangements should be made so that this force could be withdrawn only by the unanimous vote of all five permanent members of the Security Council, thus giving America a veto over any untimely withdrawal.

Finally, self-determination should be offered to the Arabs on the west bank of the Jordan, including East Jerusalem, and in the Gaza Strip, so that they could rejoin Jordan and Egypt or form an independent Palestinian Arab state. Self-determination would take much of the steam out of the *fedayeen* movement. Each Arab nation, moreover, would be required to suppress all remaining *fedayeen* activity within its borders.

Obviously, this peace package would have to be accepted by both the Arabs and the Israelis—and we should have no illusions that this will happen soon. But the United States should make its position public to clear the air, to reverse the erosion of American influence among the Arabs, and to discourage Israel from thinking that it can count on American acquiescence in whatever it does. We Americans cannot solve the Middle East crisis; we can defuse it. And we can extricate ourselves from the fix in which we now find ourselves—of being the automatic loser in each chapter of the continuing Middle East conflict.

Neophyte. An Atlanta weatherman told a woman caller that 26 was the predicted reading for the next morning. "Will it be freezing?" she asked. "Lady, anything below 32 is freezing," he replied patiently.

"I didn't know," she said. "I'm new in Atlanta." —Hugh Park in *Atlanta Journal*

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INFORMATION

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SECRET

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: Letter to King Hassan Before the Arab Summit

You asked at the last NSC meeting on the Mid-East about actions that could be taken before the Arab summit (December 20) to bolster the moderate leaders.

A number of steps have been taken, some of which are familiar to you:

--The first shipment of internal defense equipment (3,000 M-14 rifles and other material totaling \$1.5 million) has been airlifted to Jordan. King Hussein has also been informed of our readiness to consider his anti-aircraft and medium artillery needs. Assistant Secretary Sisco briefed his personal representative on our diplomatic position.

--For Lebanon, we have completed the sale of equipment necessary to improve the army's capability to control the fedayeen, and have offered to help re-equip the Army with M-14 rifles. We are negotiating credit assistance via the Commodity Credit Corporation.

--State and our ambassadors have briefed each government on our position on an Arab-Israeli settlement in an effort to blunt distortions. The Secretary's speech was designed to clear the record further.

--For better or worse, the Four Powers are talking in New York.

The closer time has come to the summit, the more our reporting seems to indicate that the moderate participants will try to avoid closing any doors. But the dynamics of an Arab meeting can change prior intentions unpredictably.

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

INFORMATION

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MEMORANDUM FOR DR. KISSINGER

December 1, 1969

FROM: Harold H. Saunders *Hal*
SUBJECT: New NSC Paper on Mid-East

1. Attached is a paper written along the lines of the outline you suggested to Winston Lord last night. He took excellent notes on your conversation, has reviewed the paper this morning and feels it covers the ground the two of you went over last night.
2. I will draw your talking points straight from this memo as soon as I have your reaction.
3. What is missing so far in this exercise is any sense of an alternative course of action. I doubt you would want to reflect one in this impartial review of the issues, but it might help sharpen the issue for us and suggest the form any recommendations to the President might take. As soon as I am out from under the other papers for this meeting, I will try my hand at this.

We, of course, will type a final version after we have your comments.

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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I do not want

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November 29, 1969

MEMORANDUM FOR DR. KISSINGER

*our papers circulated
- even to Sisco.*

FROM: Harold H. Saunders *Paul*

SUBJECT: Papers on the Mid-East for the NSC Meeting

Dick Kennedy and I have worked together to produce two sets of papers which are attached:

At Tab A is the longer paper on the Arab-Israeli issues. It got rather long, but the summary contains the flow of the argument without the detail. As is often the case when one works his way through a tough problem in a paper like this, one ends up with the feeling that he should be starting again from the conclusion he reached. Since we are both working our way through this thing together, I look forward to having your comments. I have given Joe Sisco a copy privately to get his reaction, but he fully understands that this is just between us and that this will be my paper.

At Tab B are three talking papers for you to use at the NSC, covering Libya, Lebanon and the Arab-Israeli issues in the longer paper. Since one of the things you will be thinking about is how to structure a meeting around three different subjects, we have done the Libyan and Lebanese talking papers in two different ways to give you a chance to see how two different approaches look. The Libyan paper contains some background material, whereas the Lebanese paper launches right into the subject. The question this raises is whether you want anyone else to brief on the background before you get into the issues.

One other point: We have tentatively laid on a briefing by Mr. Helms on the situation in Israel, its neighboring states and Libya. Do you want this?

Yes No

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MEMORANDUM

THE WHITE HOUSE


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WASHINGTON

INFORMATION

November 30, 1969 [3:30 pm]

MEMORANDUM FOR HENRY KISSINGER AND WINSTON LORD

FROM: Al Haig 

At Tab A are some "Questions and Issues" which might constitute a point of departure for a rewrite of the Middle East paper. These issues have been prepared by Hal Saunders as a result of our telephone conversations last night and this morning. Hal believes that if they are responsive to Dr. Kissinger's view on how he would like the paper developed he could have a draft ready for consideration some time tomorrow which could be put into final form some time tomorrow night or Tuesday morning.

I have put this together since Winston was not available this afternoon and in view of Hal's late return from Philadelphia tonight. Hal is going to call me as soon as he returns should there be any additional guidance.

At Tab B is a copy of Hal's initial effort.

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QUESTIONS AND ISSUES

I. Where are the four power talks likely to lead? :

- A. Course 1 would contemplate the US refusing to accede to the thrust of the other three powers, thereby finding itself isolated as an advocate of the Israeli position.
- B. The US might agree with the other three but at the same time refuse to pressure the Israelis.
- C. The US might agree with the other three and impose pressure on the Israelis at the same time we would contemplate the Soviets would pressure Cairo to also accept the four power concepts.

II. Specific Questions:

- 1. If the US decides to impose pressure on the Israelis what are the advantages and disadvantages of including the other three powers in this issue? An obvious disadvantage would be that the other three would pressure the US into a tougher anti-Israeli line. An advantage, on the other hand, would be that the Soviets might achieve some success in moving Cairo closer to a settlement position.
- 2. A second set of questions under Specific Issues would be posed under the assumption that the Soviets and the US were to impose pressure on their respective clients. Specific questions that would have to be answered would be those which would carefully investigate the advantages and disadvantages of this pressure. In addition, specifically we should look into all of the implications of placing the Soviets into the Jordanian issue as an advocate of the Jordanian side.
- 3. A third set of specific questions would be posed under the assumption that both the Arabs and the Israelis would reject the four power concept and what position the United States would find itself in the event of such a stalemate.

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4. A fourth question would be posed under the assumption that the Arabs accept the four power formula while the Israelis continue to oppose any such formula. Where would the United States be under this set of circumstances?
5. A fifth question, admittedly theoretical, would be what if the Israelis accept the four power formula and the Arabs object to it or reject it. Where, then, would the United States stand?
6. A final question would be, if there is no settlement possible what can the United States do to extract itself from a course which it has already initiated, i. e. how could the United States in the present set of circumstances disengage from the four power formula? What are the feasible means of doing so and what are the specific consequences of such an effort?

DISCUSSION

The above questions and issues should be fleshed out in a brief summary paper which is as objective as possible in tone and which avoids an advocate's position, on any or all of the alternatives proposed. Such a paper could be worked out tonight and tomorrow morning with a view towards having a final acceptable paper by the close of business Monday night. The paper in turn would provide the framework for the NSC discussion on Thursday afternoon and would be circulated to the principals as guidance for their individual preparation for the meeting. At the same time it is visualized that we could have a meeting in which Mr. Helms would set the scene through a 15 minute briefing on where we stand. This should be followed by a point-by-point discussion of the various options, the issues under these options and a discussion of the specific questions derived therefrom. Such a discussion should be led by Dr. Kissinger through each of the various options.

I would recommend that this format be pursued in view of the fact that both Secretary Rogers and Secretary Laird will not be present at the meeting and also to preclude the State Department's presenting an advocate's position on the four power talks.

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THE ARAB-ISRAELI IMPASSE: WHERE ARE WE GOING?

SUMMARY OUTLINE

I. The Situation We Face

- A. The U. S. position has rested since 1967 on two fundamental premises -- that a comprehensive Palestine settlement should be our objective and that it should be one agreed to by the parties to the 1967 war through a genuine negotiating process.
- B. In the area, the cease-fire is dead and prospects are for gradual acceleration of the war of attrition.
- C. In negotiations, the parties are unable to come to the table, and the major outside powers are likely to remain unable to launch a negotiation as long as they remain bound to the positions of their clients.
- D. At a time of reappraisal as we move into a new phase of negotiation, therefore, the U.S. must weigh the consequences of adhering to its basic premises -- which are closer to Israel's than to the Arabs' -- against the consequences of shifting those premises.

II. A Review of Fundamentals

- A. The basic assumption of U.S. Mid-East policy: U.S. interests are so varied as to require a broadly based position -- rather than one based on one or two key countries.
- B. The present situation is gradually forcing the U.S. into a position in the Near East based exclusively on Israel. This would be a major shift in U.S. Mid-East policy. A comprehensive Palestine settlement is clearly in the U.S. interest.
- C. The principal question is whether a comprehensive Palestine settlement negotiated among the key governments is possible today. Present indications are that it is not. If it is to become possible, it seems likely under one of two circumstances:
 - 1. Massive U.S. pressure on Israel and Soviet pressure on the UAR.

2. Or a fundamental change in the situation brought about by the judgment on one or both sides -- as a result of a new clash or the war of attrition -- that the costs of continuing impasse are so great as to require a change in negotiating positions.

D. This, then, poses the following choices for the U.S. :

1. Adhering to our present objective -- a comprehensive settlement negotiated among the parties -- in the knowledge that others are unlikely to agree and we are likely to be isolated with Israel. Or if others do agree, we will be almost obligated to mount substantial pressure on Israel if the USSR does the same with the UAR.
2. Modifying our present objective in the knowledge that this too will lead to a confrontation with Israel and may also lead to some degree of isolation unless we are willing to disengage from Israel.

E. What follows is a more detailed examination of these choices as we will face them in the Four Power negotiations now resuming.

III. The Choices Facing the U.S. in Continued Negotiations

- / A. Hold to present objectives -- a comprehensive Palestine settlement negotiated among the parties.
- B. Modify present policy to the extent of dropping the objective of negotiation among the parties but holding to that of a comprehensive Palestine settlement.
- C. Modify present policy to the extent of dropping the objective of negotiation and accepting a settlement short of a comprehensive settlement.

IV. Summary of the Issues and Options

- A. A comprehensive Palestine settlement is in the U.S. interest. But it is unlikely without a basic shift in the negotiating

positions of one or both sides. The principal question to be discussed is what combination of outside pressure and reliance on the dynamics of the situation is best suited to U.S. interests.

- B. Since a settlement on present U.S. terms seems unlikely today, the U.S. is under pressure to compromise its position. What are the consequences of remaining on our present course?
- C. If adhering to our present course is likely to lead to U.S. isolation with Israel, what would be the consequences of compromising either of our basic objectives?
- D. If compromising is more likely to lead to confrontation with Israel, would the difficulties that would imply be offset by the opportunity to produce a situation more favorable to U.S. interests in the area?
- E. If neither holding to our present position nor compromising our objectives is likely to produce a situation more than marginally favorable to U.S. interests and is likely to increase our future involvement, could some form of disengagement be helpful.

V. Conclusions

- A. The principal issue is whether we try to increase the likelihood of a settlement by heavy pressure on Israel (and the UAR) to agree to a settlement or whether we allow the costs of the war of attrition to increase pressure on both sides to change their positions.
- B. We will probably not get international agreement on a settlement we could sell to Israel, and a settlement for less than our present position would not only require very heavy pressure on Israel but, more important, would increase U.S. responsibility to Israel for enforcing the settlement.
- C. We are left with the question of whether we can avoid isolation with Israel if we do not compromise our present position. Only some measure of disengagement from Israel -- to the extent that is possible -- could have a chance of accomplishing this.

- D. Therefore, the basic choice seems to lie between:
1. backing Israel's strategy of intensifying military pressure on the Arabs and accepting isolation with Israel; and
 2. attempting to improve our broader position by disengaging somewhat from Israel, while at the same time devising that disengagement to increase the pressure on Israel to modify its position in time.

SECRET/NODIS

THE ARAB-ISRAELI IMPASSE: WHERE ARE WE GOING?

I. The Situation We Face

✓ A. The U.S. Position: On the assumption that continuation of the Arab-Israeli conflict is detrimental to U.S. interests in the Middle East, U.S. policy since the June 1967 Arab-Israeli war has been based on two fundamental premises:

1. That the situation created by that war provided an opportunity to achieve a comprehensive and final settlement of the Palestine problem and permanent peace between Israel and its Arab neighbors. The framework for accomplishing this is Security Council Resolution 242 of November 22, 1967. This establishes principles for the solution of all aspects of the Palestine problem and is based on the concept that Israel should trade territories it occupied in 1967 for Arab acceptance of Israel as a legitimate and sovereign state in part of Palestine.
2. That the final settlement should be one agreed and subscribed to in contractual form between the parties to the 1967 war through a negotiating process under the auspices of the United Nations Special Representative, Ambassador Jarring.

B. Situation in the Area

1. The June 1967 cease-fire is in effect dead. A situation of limited warfare exists on the Israeli-UAR and Israeli-Jordanian cease-fire lines carried out by the military forces of both sides and by the fedayeen (Palestinian commandos) on the Arab side. The Lebanese and Syrian lines have been quieter though action on the Lebanese front has increased in recent months.
2. The UAR Government and the fedayeen follow a conscious policy of exercising the maximum military pressure against Israel of which they are capable.

SECRET/NODIS

3. Israel's policy is to respond militarily in even greater force to keep the Egyptians and fedayeen off balance and discourage them from more massive efforts.
4. The prospects in the the absence of a settlement are for a gradual acceleration of the present limited, relatively static war on the cease-fire lines toward more general hostilities. The process of military strike and counter-strike can be expected to intensify, involving increasingly large air strikes and the engagement of larger ground units against civilian as well as military objectives. While this danger is greatest on the Egyptian and Jordanian fronts, it could increasingly involve the Lebanese and Syrian fronts as well. Israeli occupation of additional Arab territory as a buffer, particularly in Jordan and perhaps in Lebanon, is probably not imminent but cannot ultimately be ruled out. Israel can be expected to remain capable of inflicting much greater damage on the Arabs than it receives, but neither side will be capable of imposing a clear-cut and total military capitulation on the other.

C. Negotiating Situation

1. The parties to the 1967 war. The UAR, Jordan, Lebanon and Israel are formally committed to a political settlement on the basis of Security Council Resolution 242. The Jarring Mission established by the Resolution to bring about such a settlement, however, has been moribund for well over a year, and even when active had made no real progress. The basic differences between the parties which prevented Jarring from making progress remain and if anything have hardened:
 - a. The Arab side has always viewed Resolution 242 primarily as a means of resolving the principal problem created for it by the 1967 war--recovery of territory occupied by Israel in that war. The UAR and Jordan have said they are willing to pay the price of accepting Israel's existence within its pre-June 5, 1967 borders--the 1949 Armistice Lines--and of renouncing belligerent claims and acts against it. They have also said they are prepared to accept UN peacekeeping forces to bulwark a settlement. At the

same time they have said they will not negotiate directly with Israel, will not enter normal peaceful relations with it and will not recognize it diplomatically. Syria and the Palestinian fedayeen have rejected the 1967 Resolution and call for continuing warfare with the goal of eliminating Israel as a Jewish state and establishing Arab rule in all of Palestine.

- b. Israel has taken the position that Jarring's mission is solely to bring the Arab Governments to negotiate peace treaties with it and that in such negotiations it should seek to redraw the Armistice Line borders to improve its physical security. While not taking a formal position on where the final boundaries should be, there is probably a consensus in Israel that, in addition to all of Jerusalem, they should include some of Eastern Sinai down to Sharm al-Shaykh, the Syrian Heights and, within former Palestine, some part of West Bank Jordan plus Gaza.
2. Major-power consultations were begun in March to seek a more precise agreed interpretation of Security Council Resolution 242 as a framework for restarting the Jarring Mission:
- a. US-USSR talks. The U. S. -Soviet bilateral talks have concentrated in considerable specificity on the question of a UAR-Israel settlement. They have been in suspense since October 28 when we made a major effort to move matters forward by tabling our position that there should be no territorial change on the Israel-UAR border in a final peace settlement, contingent upon specific UAR commitments to peace including control of the fedayeen and on agreements reached in negotiations between Israel and the UAR on security arrangements to preserve the peace between them.

- b. Four-Power talks. We have agreed to resume the Four-Power talks without awaiting a Soviet response in the bilateral context in order to concentrate on the elements of an Israel-Jordanian settlement, without which there is general agreement that no movement toward a UAR settlement is possible. The Soviets may press in addition for agreement at least in principle on the elements of a Syrian settlement. Since Syria has rejected Resolution 242, we have not been willing to discuss a Syrian settlement or to agree that UAR and Jordanian settlements should be contingent on it in any way--a position the British and French say they share but may or may not be willing to stick to.
3. What we face in the Four-Power talks. At the present juncture, the positions of the Four Powers toward a settlement can be summarized generally as follows:
 - a. There is general agreement that the final settlement should be in the form of documents (whether bilateral or multilateral is a bit fuzzy) signed by the parties themselves--i. e., the settlement should be directly between the parties and contractual in nature.
 - b. There is also general agreement on the key substantive issues of importance to both sides as set forth in Security Council Resolution 242--Israel should not acquire territory other than that involved in minor adjustments of the former Armistice Lines and the Arabs should acknowledge Israel's right to exist and renounce belligerency against it; Israel should have the right of free navigation through the Straits of Tiran and Suez Canal; the Arab refugee problem should be solved in a way which preserves the principle of offering the refugees a choice between repatriation and resettlement but recognizes the pragmatic need for a limitation on the total number repatriated; and security arrangements including demilitarized zones are necessary to safeguard the peace.

- c. Differences remain on the specifics of these substantive issues, but these differences might be worked out, at least among the US, the UK and France, on all issues except the question of Jerusalem, which all Four Powers have been reluctant to tackle. Even the Soviet position on substance, which has adhered rigidly to the idea of an Israeli withdrawal to the Armistice Lines everywhere and permits no flexibility for dealing with such special problems as Gaza, Jerusalem and the West Bank Armistice Line (which are all part of the unfinished business of the partition of Palestine), might not prove completely intractable in the final analysis.
- d. While Four-Power agreement or near agreement on the form and substance of a settlement, though extremely difficult, might thus be attainable, there is a fundamental difference regarding the procedures through which a settlement is to be achieved. All Four Powers concede that there should be some kind of negotiating process through Jarring before the final settlement is formalized. The Soviets, however, see this largely as a pro forma final act after the Four Powers have in effect written the detailed blueprint of a settlement. The French generally have the same approach and the British lean the same way. The U.S. position has been that the negotiating process must be more than pro forma, that it must bring the parties into indirect and direct contact with each other under Jarring and that substantive issues (other than the fundamental ones of commitments to peace and no territorial acquisition), including particularly the question of security arrangements, should be left to the parties to negotiate. As the Four-Power discussions proceed, the principal policy problem with which the US will be faced will be that posed by pressure from the other three to spell out the detailed substantive terms of a settlement including, in particular, provisions for demilitarized zones and UN peacekeeping arrangements to enforce the peace.

- D. Conclusion: The situation in the area and the state of negotiations among the parties to the 1967 war suggest that they are not likely to find their way to a diplomatic settlement if left to their own devices. Quite the contrary, local forces if left to play themselves out seem headed inexorably toward another military clash. The US and USSR, while they might in the abstract agree to the terms of a fair settlement, are prevented from agreement as long as they remain faithful to the positions of their respective principal clients. In the case of the US that means holding to the two fundamental premises of 1967--insistence on a comprehensive Palestine settlement and on a settlement agreed to by the parties themselves. As we come to the point of reappraising our policy, therefore, the U.S. must weigh the consequences of adhering to its basic premises--which are closer to Israel's than to the Arabs'--against the consequences of shifting those premises.

II. A Review of Fundamentals

- A. The basic assumption of U.S. Mid-East policy is that U.S. interests are so varied as to require a broadly based U.S. position--rather than one based on one or two countries. For twenty years, the U.S. has attempted to build a position which straddled all camps--radical, moderate, Arab, Israeli.
- B. The present impasse is gradually forcing the U.S. into a position in the Near East based exclusively on Israel. This would be a major shift in our Mid-East policy. Continuation of the impasse is also weakening governments friendly to us, offering opportunities for the extension of Soviet influence at U.S. expense and will eventually jeopardize the considerable U.S. economic stake in parts of the Arab world. Since Israeli security--though not expansion--is one of a number of U.S. interests, the only way the U.S. can pursue that without jeopardizing its other interests is in the context of a settlement.
- C. The principal question is whether a final settlement of the Palestine problem and the establishment of Arab-Israeli peace, which have been our declared policy goals since June 1967, are possible in the foreseeable future. They would be in the U.S. interest, but are they possible?

1. Some would argue strongly that the United States cannot afford to accept the premise that a comprehensive settlement is not possible. While we must guard against the consequences of self-delusion, we must also keep open the option of a diplomatic settlement in order to capitalize on changes in the basic situation on the ground.
2. However, a majority feels that a final settlement is not possible now, and that for decision-making purposes, we must work from the premise that such a settlement is highly unlikely. The growing political strength of the Palestinian fedayeen movement and allied elements opposed to acceptance of Israel, and the basic weaknesses of the regimes in those Arab states on Israel's borders who have subscribed to Security Council Resolution 242 (UAR, Jordan, Lebanon), raise serious doubts as to whether any of them could now commit themselves to a settlement even under the most pro-Arab interpretation of the Resolution, which they themselves and the Soviets have acknowledged calls for Arab acceptance of Israel's sovereignty and respect for the inviolability of its borders--a position which the fedayeen and radical Arab governments reject. There is no longer any doubt whatsoever that a settlement according to our interpretation of the Resolution would be rejected by the Arabs even if it were acceptable to Israel, which it is not.
3. If a comprehensive settlement is to become possible it seems likely under one of two circumstances:
 - a. Massive U. S. pressure on Israel and Soviet pressure on the UAR.
 - b. Or a fundamental change in the situation brought about by the judgment on one or both sides that the costs of the continuing impasse have become so great as to warrant a change in negotiating positions sufficient to produce a negotiation. This change could come about quickly as a result of another clash, or slowly as the war of attrition drags on.

D. This, then, poses the following choices for the U.S. :

1. Adhering to our present objective--a comprehensive settlement negotiated among the parties--in the knowledge that others are unlikely to agree and we are likely to be isolated with Israel. Or if others do agree, we will be almost obligated to mount substantial pressure on Israel if the USSR does the same with the UAR.
2. Modifying our present objective in the knowledge that this too will lead to a confrontation with Israel and may also lead to some degree of isolation unless we are willing to disengage from Israel.

E. What follows is a more detailed examination of these choices as we will face them in the Four Power talks now resuming.

III. Choices Facing the U. S. in Continued Negotiations

A. We could continue to hold to both of our present policy premises-- (1) that the goal is a comprehensive peace settlement covering all elements of the Palestine problem and (2) that, within the broad parameters of an Arab commitment to peace and an Israeli commitment to no territorial acquisitions (with carefully defined and limited exceptions), Israel should be given the opportunity to negotiate the details of a settlement and to get the best deal it can in return for relinquishing Arab territories it occupied in 1967.

1. Likely outcome: It seems almost certain that this position will not win acceptance in the Four-Power forum.
2. In the face of that prognosis, the arguments for taking this position are:
 - a. Distasteful as even our present policy is to Israel, it avoids a serious confrontation with Israel so long as it does not lead to agreement in the Four-Power talks and to positions acceptable to the Arabs.

- b. While it may lead to U.S. isolation, our present policy provides a reasonable position on which we can stand over time, since it basically supports the Arab position on territory and the Israeli position on peace and non-belligerency while calling for the parties to negotiate the remaining issues within this framework.
 - c. While this policy is unlikely to produce a settlement, it provides a base point for renewed efforts later if area military and political dynamics evolve in ways which make such renewed efforts possible at some future time.
3. The arguments against are:
- a. The U.S. would be increasingly isolated diplomatically in the Four-Power forum and probably in the UN generally if the Arab-Israel question goes to the General Assembly or Security Council.
 - b. The war of attrition in the area would continue, and in the absence of an Arab willingness to negotiate we would have no choice but to assure that Israel remains strong enough to sustain itself militarily and economically. We would thus become even further isolated with Israel.
 - c. Being unable to influence significantly Israeli tactics for dealing with the war of attrition, we would be increasingly blamed for Israel's predictably hard-hitting military responses.
 - d. The rate of deterioration of the U.S. position would be relatively rapid with unpredictable consequences for our strategic and economic interests in the Arab world.
4. Conclusion: This approach would be essentially to take a position we can stand on and accept our isolation with Israel.

- B. We could modify our second policy premise--while continuing to insist that the goal is a comprehensive settlement of all aspects of the Palestine problem and permanent Arab-Israeli peace, we could proceed in the Four-Power talks to work toward agreement on the detailed substantive elements of all aspects of a settlement, maintaining the principle that there must at some point be a negotiating process under Jarring but in effect leaving nothing of significance to be negotiated.
1. Likely outcome: The odds remain against a resulting settlement because Israel would be difficult to bring along and because the fedayeen would probably resist any settlement under the UN resolution.
 2. The arguments for:
 - a. This would avoid our becoming isolated diplomatically. At best, it could produce Four-Power agreement on the terms of a settlement and might diffuse some criticism of the U. S. if such a settlement did not come off, though we would probably still be blamed if Israel rejected the consensus. At a minimum, this approach would put pressure on the Soviets to exert influence in Cairo and to counter extremist pressures from fedayeen and other sources.
 - b. We would be on record as supporting a reasonable and balanced settlement.
 - c. This course would strengthen moderate elements in the Arab world and might slow the rate of deterioration of the U. S. position.
 3. The arguments against:
 - a. This course is unlikely to produce a settlement and would not reverse the deteriorating trend of our position in the area if Israel would reject the terms and were still in occupation and receiving U. S. material support.

- b. The U.S. would be faced with the choice of whether or not to use leverage on Israel to adopt the foregoing postures. To use such leverage without there being a settlement would weaken Israel and make it more vulnerable to Arab military action. Failure to use leverage would expose us to charges of hypocrisy and probably neutralize many benefits we might seek by the substantive positions we adopt.
 - c. Even in the absence of Arab acceptance and progress toward a settlement, there would be increasing pressures on us to influence Israel to adopt policies more consonant with the substantive positions evolved in the Four-Power forum--i. e., to moderate its occupation policies, to reduce its level of military response, to publicly accept the principle of virtually total withdrawal and perhaps even to undertake a partial withdrawal as a token of its good intentions.
 - d. Thus, even in the absence of a settlement, this course would put increasing strains on U.S. -Israeli relations with questionable countervailing benefits in U.S. -Arab relations.
4. Conclusion: In the unlikely event that this course led to major-power agreement and Arab acceptance of that agreement, we would face a direct confrontation with Israel. If we did not use all possible leverage in these circumstances, or if we used it and it did not work, we would at best only have slowed temporarily the deterioration of our position in the Arab world. If we used our leverage successfully, we would have assumed a responsibility for Israel's security and to make the settlement last which would involve us more directly than ever before in the inevitable continuing area disputes which would follow even the best of settlements..
- C. We could modify both of our basic policy premises--seek a settlement short of a final solution of the Palestine problem and seek to define the terms of such a settlement in the major-power context, with no provision for substantive negotiations between the parties. The elements of such a solution would

probably involve as a minimum Israeli withdrawal virtually to the former Armistice lines with special provisions for Jerusalem and Gaza, Arab pledges to non-belligerency and to accept the sovereign existence of Israel, and peacekeeping arrangements involving a predominant UN role.

1. Likely outcome: The Arabs might well accept because this would be so favorable to them as to give them some chance of even controlling the fedayeen. But Israel would strongly oppose.

2. The arguments for:
 - a. This approach has the best chance of obtaining Arab acceptance.

 - b. It is the only alternative which could promise to cut the ground from under the fedayeen, avoid increasing major Arab hostilities over the next few years and therefore to produce greater stability in the area for the years immediately ahead.

 - c. This approach, if it produced a settlement, would represent some net gain for Israel over the situation which existed prior to the June 1967 war. It would commit the Arabs for the first time to accept the establishment of Israel and would thus put a solution of the Palestine problem in a new juridical framework-- one in which the question of Israel's legitimacy and territorial confines were resolved.

 - d. The rate of deterioration of the U. S. position in the Arab world would be significantly diminished and, at least in the short run, we might even regain some lost ground.

3. The arguments against:
 - a. This solution would not solve all elements of the Palestine problem. The solution of some elements would have to be deferred or only provisionally dealt with--

e. g., Jerusalem, Gaza, Suez Canal navigation, and refugees. All of the unresolved issues would contain the potential for undermining the limited agreement reached on withdrawal and non-belligerency, and would provide fertile ground for continuing Soviet exploitation to the detriment of U.S. interests in the Arab world.

- b. This course, if it led to Soviet and Arab acceptance, would produce an even more serious U.S. -Israeli confrontation than that foreseen under B above. If the U.S. used its leverage to impose such a solution on Israel, the obligations on us to underwrite Israeli security and to become directly involved if that security were seriously threatened would be even greater than would be the case under the total but still imposed settlement foreseen in B above. A formal U.S. security commitment to Israel might be an indispensable part of such a limited solution.

- 4. Conclusion: This approach might in the short term have the best chance of improving the U.S. position in the Arab world, but that improvement might be short-lived because Arab-Israeli hostility would remain active and the U.S. would be more committed than ever to stand by Israel. One mitigating factor would be that U.S. support for Israel would operate under the umbrella of an international agreement.

IV. Summary of the Issues and Options

- A. A comprehensive Palestine settlement is in the U.S. interest. But is it possible today?

- 1. Some would argue that we must keep alive the possibility in order to capitalize on a major change in the situation.
- 2. But while agreeing, most would concede that a comprehensive settlement is unlikely without a basic shift in the negotiating positions of one or both sides--brought about either by massive outside pressure or by a substantive change in the situation on the ground.

3. The principal issue to be debated in setting our future course, therefore, is what combination of outside pressure and reliance on the dynamics of the situation we can adopt. In the Four Power talks, we will be under pressure to compromise our position to the extent of trying to impose a settlement. At the same time, we will remain under pressure from the Israelis to support their strategy--with military equipment plus \$250 million a year--of letting pressures on the ground build up to the point where they will force a change.
- B. Since a settlement seems unlikely on present U. S. terms and yet the U. S. is under pressure to compromise its present position, what are the likely consequences of remaining on present course?
1. Those who urge this course argue that only this position has any chance of winning an international agreement that Israel could accept. They also point out that, if other major powers or the Arabs refuse to accept as is likely, this is the course least likely to bring us into confrontation with Israel.
 2. But those who oppose it argue that no one will accept and this will lead to U. S. isolation with Israel. In the unlikely event that others did agree, we would face a choice between mounting massive pressure on Israel to accept and refusing to do so, thereby isolating ourselves with Israel albeit with perhaps a little better image for having taken a position somewhat different from Israel's.
- C. Compromising, if adhering to our present course is likely to lead to U. S. isolation, what would be the consequences of either of our basic objectives?
1. Those who urge this course argue that our position in the Mid-East will improve only as we take distance from the Israeli position. They argue that, even if we cannot force Israel to accept the proposal, the existence of a proposal is useful because it will provide a ready alternative that may look more attractive as the costs of the war of attrition rise. They argue that, if we cannot force peace

now and cannot prevent another war at least we can have the terms of a fair settlement at hand.

2. But those who oppose argue that this will increase the necessity for pressure on Israel because, without such pressure, it is questionable that our position would be sufficiently credible with the Arabs to check deterioration of the U. S. position in the Arab world. The only action that would make this stand credible--apart from heavy pressure on Israel to accept--is some form of disengagement from material support of Israel. Moreover, if the argument for this course is to wait for time to bring the parties around to a diplomatic solution, it would be inconsistent to provide Israel with the means to minimize the pressures of time.

D. If compromising our objectives is more likely to lead to confrontation with Israel, would the difficulties that would imply be offset by the opportunity to produce a situation ultimately more favorable to U. S. interests in the area?

1. Those who favor this course argue that, apart from the confrontation with Israel, we would be no worse off for having tried. We would have put the terms of a fair settlement on the record and would thereby have improved our position in the Arab world.
2. Those who oppose make three arguments:
 - a. Even if a settlement were achieved in these circumstances, the U. S. would have assumed a major responsibility for making it work--an ongoing commitment to a resentful and nervous Israel which would involve us in its almost continuing confrontations with a still basically hostile Arab world.
 - b. We would have temporarily undercut the option Israel considers most important--and the one which would promise the best hope for long run stability if it worked--namely, the gamble that by standing pat Israel could eventually bring about a situation in which the Arabs make peace

with it directly. While the chances of this Israeli option working out the way Israel foresees are probably infinitesimal, it could produce another result which might in the long run be best for all concerned: a gradual exhaustion of both sides through escalation of the present war of attrition to the point where they will make the concessions neither is now willing to make and conclude the kind of peace themselves which, if devised and imposed by outside powers, could only be maintained by the constant efforts of those powers.

- c. As long as Israel occupies Arab territory and the U. S. supports Israel, the U. S. is unlikely to improve its position with the Arabs more than marginally.
- E. If neither holding to our present position nor compromising our objectives is likely to produce a situation more than marginally favorable to U. S. interests and is likely to increase our future involvement, could some form of disengagement be helpful?
1. Those who argue affirmatively would qualify their argument by pointing out that disengagement from peace-making efforts alone is essentially a pro-Israeli act and that real disengagement would require a sharp reduction if not termination of material support for Israel. If that course were adopted, it would be a conscious decision to let the costs of the war of attrition mount on both sides more quickly than they otherwise would.
 2. Those who argue against believe it is a fundamental fact that we cannot disengage ourselves from Arab eyes. They see us as the creators of Israel with clear responsibility-- whether we assume it or not--for a just solution of the Palestine question.

V. Conclusions

- A. If we assume that a comprehensive settlement is unlikely under present circumstances, the question is whether we try to change present circumstances by heavy pressure on Israel

(and the UAR) to agree to a settlement or whether we allow the costs of the war of attrition to increase pressure on both sides to change their positions.

- B. The above analysis suggests that we will not get international agreement on a settlement that we might have a chance of selling to Israel. It also suggests that compromising our present position would involve us more heavily in enforcing any settlement that might result and that such a settlement would be to some degree unstable.
- C. If that reasoning follows, we are left with the question of whether we can avoid isolation with Israel if we do not compromise our present position. The above analysis suggests that only some measure of disengagement from Israel --to the extent that is possible, and it may not be entirely possible--could hope to accomplish this.
- D. Therefore, the basic choice seems to lie between:
1. backing Israel's strategy of intensifying military pressure on the Arabs and accepting isolation with Israel; and
 2. attempting to improve our broader position by disengaging somewhat from Israel, while at the same time devising that disengagement to increase the pressure on Israel to modify its position in time.
 3. The first approach would avoid major confrontation with Israel, lessen the likelihood of a major Israeli attack to topple Nasser, not hasten a settlement and lead to U. S. isolation. The second would lead to some degree of confrontation with Israel (though this might be kept within limits), accept the greater likelihood of another war and might--though that is speculative--increase pressures for a settlement.

SECRET/NODIS

MEMORANDUM FOR DR. KISSINGER

November 18, 1969

FROM: Harold H. Saunders

SUBJECT: Secretary Rogers' Memo on Resuming Four Power Talks

At Tab A are my reflections and suggestions on resuming Four Power talks and involving ourselves directly in Jordan-Israel negotiations.

At Tab B is Secretary Rogers' memo with a covering memo from you to the President.

You should bear in mind that the Secretary proposes resuming Four Power talks on Friday, November 21. He may try to get an oral go-ahead from the President. Therefore, you might want to say a word to the President about this yourself.

You are aware from your talk with Ambassador Yost of the pressure to keep consideration of this memo apart from the NSC next week. It would be possible to do that and keep our options open (except for disengagement) if we set some conditions on resumption such as I suggest in the memo at Tab A.

Recommendation: That you send the memo at Tab B to the President.

original passed to Gen Haig 7:30 PM 11/18

DECLASSIFIED/RELEASED ON 4/12/02
by NARA on the recommendation of the NSC
under provisions of E.O. 12958

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November 18, 1969

MEMORANDUM FOR DR. KISSINGER

FROM: Harold H. Saunders

SUBJECT: A Course of Action on a Jordan-Israel Settlement

On Friday I wrote you my general reflections on the elements involved in a decision to resume Four Power talks and to engage ourselves directly in mediating a Jordan-Israel settlement. That memo is attached for reference. What follows are those considerations which relate specifically to the proposal in Secretary Rogers' memo (at Tab B).

General Considerations

The basic question--as with the broader problem of a Mid-East settlement--is how much of an effort we should make where the odds are against success.

In estimating the consequences of resuming Four Power talks, it is worth measuring them against two assumptions about how the situation is most likely to evolve:

1. It is still barely possible to see a chance that the government of Jordan could negotiate a settlement with Israel and make it stick by arranging for some form of Palestinian autonomy on the West Bank.
2. It seems less risky to predict that the fedayeen could now undercut any solution that the governments of Jordan and Israel might work out.

There are two dilemmas in choosing which of these two assumptions to use as the basis for action:

I. It is sound to look squarely at the odds and the consequences before moving. It is also more comfortable to base predictions on "realism" than on the long chance. But the logical conclusion based on this kind of prediction is either consciously to disengage from the problem--which has its own consequences--or to drift along in nominal engagement and practical disengagement.

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2. It is realistic to say that the fedayeen have now reached a point where they have a good chance of disrupting a settlement. But conceding that is to concede a point which we are unwilling to concede at home--that mobs and irregulars have the right to dictate the policies of governments.

Against that background, our first choice is among:

1. Judging that the tide against a settlement in the Mid-East is so strong that we should find a way to stand aside.
2. Trying a long shot with the best protection we can devise against the consequences of failure.
3. Taking an in-between course by trying to weather through the present course, e. g. keeping the US-Soviet talks and Four Power talks alive.

Secretary Rogers' Proposal

Secretary Rogers' memo argues for the in-between course on these grounds:

1. It concedes that there is an argument for refusing to agree to resume Four Power talks until we have Soviet agreement on an Israel-UAR document: (a) If we go into the Four Power talks without Soviet agreement, the British and French will whittle away our position. (b) US refusal to go on might be the shock Nasser needs to make him realize that outsiders are not going to bail him out.

2. But it concludes that such a US stand would appear to the world that the US is giving up and blocking further peace efforts. This would lead to the further deterioration of the US and the moderate positions in the Arab world. The Arab summit on December 20 could close the door on a political solution.

The Secretary "reluctantly" concludes: "With all of the difficulties that I foresee, we should agree to renewal of the Four Power meetings beginning on November 21."

Secretary Rogers further recommends that we try to keep our UAR-Israel paper negotiated with Dobrynin out of the Four Power forum and limit those talks to a Jordan-Israel settlement. He believes that the British and French are eager enough to resume talks that they might agree to this limit on the agenda.

He would then let the British and the French take the lead on discussion of a Jordanian settlement in the Four Power forum while we raise with Israel and Jordan "at an early date" whether they would agree to the US playing a middle man role between them.

Finally, the Secretary recommends that he make a public statement soon to put our position on the record.

An Alternative

My personal view of this recommendation is that it is not a bad tactical plan for handling the Four Power talks if we resume them. But it is essentially a plan for keeping talks alive through the Arab summit without much hope of their producing anything. It does reject disengagement, but it does not consider a more forceful approach, probably because of the Secretary's judgment that the situation is unmovable.

I have no illusions about chances for success, and I have not talked with Joe Sisco about this. But for the sake of perspective, I would like to suggest a slightly harder--perhaps more decisive--line than the Secretary proposes, along with a touch of the US trying a final mediatory effort.

1. Refuse to resume Four Power talks until we have the Soviet response. [State might press an alternative: Tell the UK and France that we will agree to resumption of Four Power talks now only if they will agree that the agenda be limited to a Jordan-Israel settlement for at least one/two months.]

2. If Dobrynin's response on the UAR-Israel outline is not satisfactory, tell him in reply that we see no basis for continuing the US-USSR talks if Moscow is unwilling to bring the UAR any further. It might be that the Soviets would think again if we refused any but minor changes and had closed this subject out of the Four Power forum in favor of our own client Jordan. [We would then have to decide whether to try

to win French and British support (unlikely) and to table it in the Four Power context.]

3. Try to involve ourselves directly in a Jordan-Israel negotiation before the December 20 Arab Summit.

4. Once we have rounded out our position on a Jordan-Israel settlement and if the Soviets have come no further, send an emissary direct to Nasser secretly if possible with the following proposition: If Nasser will provide a secret letter to carry to Prime Minister Meir stating his readiness to live at peace and to send a representative to a secret meeting, the US will attempt to persuade Israel to accept the position in the present version of the US-USSR paper. This might well be a non-starter, but might be worth considering as a last try. This is what it took in 1957.

Any approach involves a high risk of failure because the will to reach a compromise settlement--or the political ability to bring it off--may not exist any longer on either side. The question is whether the risk is significantly greater from taking a slightly harder stand.

The question therefore is: Where would we be if we failed?

1. The Arabs would blame us for failure because they would never believe we had pressed Israel as hard as we could and they would see us sending military equipment. Since they blame us now, the question is whether we would significantly worsen our position by making an honest try and failing.

2. We would put ourselves in a position to say we had done what the President promised in February: to "explore every avenue." Again, the Arabs would say our efforts were half-hearted. Again, the question is whether we would be in a better position for having tried.

The elements in this proposal that differ from the Secretary's are the tough stand with the Russians and the last-ditch emissary to Nasser, which would be a later decision. I would also set a deadline for trying a Jordan-Israel settlement. State has been talking about this since April. The rest of my suggestion is simply sorting out the harder more activist line from the State paper.

Conclusions

1. I can understand the arguments for keeping alive some hope for a big-power solution at least through the December 20 Arab summit.
2. However, unless we put more effort into this exercise, it will not go anywhere.
3. Re-starting the talks now only to let them peter out again in a month or two creates a situation where their end could increase Arab desperation. .
4. If we are going to move, therefore, I favor doing so with the crispness of one last major try--rather than with the half-heartedness that comes through in the State memo. I doubt it would leave us in any worse position than we are now.

THE WHITE HOUSE

SECRET/NODIS

WASHINGTON

INFORMATION 3544
November 14, 1969

MEMORANDUM FOR DR. KISSINGER

FROM: Harold H. Saunders *Hal*

SUBJECT: Reflections on Jordan-Israel Settlement

We will have three operational questions before us over the next couple of weeks:

1. Pre-thinking on how we might react to Dobrynin's response.
2. Whether to re-start the Four-Power talks, concentrating on Jordan (As Ambassador Yost proposed to you).
3. Whether to inject ourselves into the Israel-Jordan talks apart from the Four Power effort.

When we receive Secretary Rogers' memo, I shall give you a memo for the President. In the meantime, I want to lay out the problem for you systematically.

I. The terms of a Jordan-Israel settlement. We would have to go into any exercise with our own notion of the terms of a settlement. A first draft was submitted to the Review Group as early as last February. Subsequent re-drafting has produced the attached two documents (at Tab A, a description in non-diplomatic language; at Tab B, a possible draft agreement on the framework for negotiation like the UAR-Israel document Joe Sisco has been discussing with Dobrynin).

A. The main elements of a settlement as they now stand in these documents are:

1. Israeli withdrawal to borders close to the pre-war border but reflecting any minor rectifications the two agree on;

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2. Freedom of choice for refugees balanced by agreement on the number Israel would be expected to allow to return;
 3. Ultimate sovereignty over Jerusalem to be negotiated within the context of a united city in which there is free access for all and world interests in the Holy Places are protected (our nation for planning purposes is administrative sub-division into two boroughs -- one Arab, one Jewish -- under overall administration of a joint council);
 4. Gaza's disposition to be negotiated among Jordan, UAR, Israel (our planning notion is for a transitional administration under international trusteeship to provide time for relocation of refugee population and establishment of self-government prior to some sort of affiliation with whatever regime prevails on the West Bank).
- B. In judging these terms, two factors must be considered which reflect the two horns of our dilemma:
1. The position on borders is consistent with terms which President Johnson told King Hussein the US had in mind and would support when he agreed in November 1967 to accept our final draft of the UN resolution. It also reflects the only (if any) terms that Hussein would have a chance of defending before his people and other Arab governments.
 2. The Israelis under present circumstances do not seem inclined to accept.
- C. Conclusion: The US has an interest in Israeli security but not in Israeli expansion. It would be consistent with US interests to see minor rectifications in the border to decrease the vulnerability of Israel's narrow waist. It would also be fair to restore a Muslim civil role in Jerusalem. Whether or not these terms are attainable they -- or something close to them -- are the terms consistent with US interests as long as the problem remains in its present negotiating context,

i. e. as long as the present government of Jordan continues in business.

II. Should we now try for a Jordan-Israel settlement?

We originally concentrated on the UAR front because we thought it would make a settlement easier for Hussein and because Soviet interest in a settlement could only be tested on a UAR settlement. But we still have the option of turning our attention to the Jordanian side if we believe there is any chance of success.

A. The main arguments for turning our attention to a Jordan settlement are:

1. The US has more interest in seeing Hussein get his territory back than Nasser.
2. Jordan is where the Palestine question has to be resolved. The Israel-UAR context is essentially a geopolitical one with Nasser using the Palestine issue to get the Arabs behind him.
3. Although we initially thought we might persuade Nasser to go first and make a peace agreement easier for Hussein, it is possible that Nasser could be induced to negotiate if he saw Hussein reaching reasonable terms.

B. The main arguments against are:

1. The odds favor failure. The growing strength of the Palestinian movement makes it unlikely that Hussein could make a peace that does not completely accord with Palestinian wishes. It is still conceivable that he could make a settlement stick but the passage of time makes it more and more unlikely.
2. The growing strength of the Palestinians introduces another dimension -- that the only solution possible today is a Palestinian-Israeli solution, not a Jordan-Israel one. What this would mean is that we would have to wait until the Palestinians

are cohesive enough to speak with one voice and strong enough to force their way to the negotiating table. We would have to hope over time for responsible leadership (a Bourguiba rather than a Ben Bella), and we would have to reconcile ourselves to a new kind of Jordan.

- C. Conclusion: There is some value in trying to pin down Israeli and Jordanian negotiating positions. However, the extent to which we involve ourselves will depend on how far we are willing to go in pressing Israel toward reasonable terms. We would make a mistake to make ourselves the sole intermediaries if failure would seem to be the result of unwillingness to press Israel. We might come off better in the Four Power forum if we were willing to take a stand on reasonable terms and had some chance of sharing the responsibility with the other three and with the UN for translating them into agreement.

III. This then raises the broader question whether we should go ahead with the Four Power talks on Jordan.

A. The arguments for going ahead are:

1. This offers a safer -- albeit not safe -- forum for the US in isolating the Israeli and Jordanian positions and the main obstacles to agreement.
2. It is important to preserve hope of a big-power solution -- in general as a stabilizing factor in the Mid-East and in particular as a moderating factor before the December Arab summit.
3. While the US may be partially isolated on substance in the Four-Power meetings, the US could be completely isolated if it blocked a meeting.

B. The arguments against are:

1. If we re-start the Four Power meetings it would have an even more serious impact in the area if they break up early next year when they run out of steam. [The strength of this argument obviously depends on one's estimate of chances

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2. While the chances of negotiating a fair document are better than with the UAR (because Hussein is more amenable), the US will end up with the onus -- and maybe impossible job -- of selling even a fair settlement to Israel.
 3. One option we might want to save in response to a negative Soviet response to Sisco's formula is that of cutting off our participation in talks in any forum. The argument for this would be that the Soviets want to keep talks going while we might want them to pay a price for it. The argument against is that the US would then bear the onus for breaking off Mid-East peace efforts. Success would depend on our ability to blame the USSR credibly for the break.
 4. Eventually, the US-USSR document could end up in the Four Power forum along with the Jordanian issue, and we would face British and French whittling there. We could end up with a position on which there is almost no hope of producing Israel.
- C. Conclusion: As you see from the elements of the agreement, the conclusion depends on what assumption one makes about US willingness to press Israel and about the prospects for a settlement.

If one felt there is still a chance for a settlement and were inclined to take a harder stand, there would be an argument for trying our hand at mediating an Israel-Jordan negotiation and for letting the Four Power work on refugees and Jerusalem in the background. This approach would have to start from the assumption that a settlement is worth one major final try before we give up.

If one were unable to envision a fair amount of pressure on Israel, there is an argument for disengaging from all these talks -- or at least adopting a conscious policy of gradual backing off, in the most politic way available. One reason for

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not wanting to press Israel, of course, would
be the judgment that no settlement is possible.

* * * *

A final personal word: I am deliberately stopping at this point.
This memo is a first effort to lay out the elements of this problem. I would like to think further about this over the weekend before I put my own recommendation on paper.

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MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: Resuming Four Power Talks on the Mid-East

Attached is Secretary Rogers' proposal for resuming the Four Power talks on November 21.

The memo concedes that there is a case for refusing to resume Four Power talks until the US and USSR agree on the outlines of a UAR-Israel settlement:

- The British and French will whittle away our position if we submit it without Soviet agreement.
- Refusal might disabuse Nasser of the notion that the big powers will bail him out.

But it rejects disengagement on these grounds:

- The US would appear to be blocking further peace efforts.
- The US position in the Arab world would further deteriorate.
- The pressures on Jordan, Lebanon and Saudi Arabia would continue to increase.
- The December 20 Arab summit would probably close the door formally on a political settlement.

The Secretary concludes "reluctantly" that we should agree to renewal of the Four Power meetings, despite foreseeable difficulties, on November 21. But he recommends the following to try to keep discussion within manageable limits:

- Oppose Soviet pressure for across-the-board talks on all aspects of a settlement (UAR and Syria).

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--Try for British-French agreement that Four Power talks focus on a Jordan-Israel settlement.

--Submit the US-USSR document to the Four Power group only if the Soviet response is reasonably favorable and if we can persuade the British and French not to whittle away at our position. [The Secretary has in mind messages from you to Wilson and Pompidou if necessary.]

--Try to involve ourselves directly in an intermediary role between Jordan and Israel.

This proposal is admittedly a holding action--a way of keeping big-power talks going and keeping some hope of a political settlement alive before the December 20 Arab summit.

What follows is a discussion of the main elements in this decision:

1. The terms of a Jordan-Israel settlement.
 - A. The main elements of a settlement proposed for working purposes in the Secretary's memo are:
 1. Israeli withdrawal to borders close to the pre-war border but reflecting any minor agreed changes;
 2. Freedom of choice for refugees balanced by agreement on the number expected to return;
 3. Ultimate sovereignty over Jerusalem to be negotiated within the context of a united city with a Jordanian civil role, free access for all and world interests in the Holy Places protected.
 4. Gaza's disposition to be negotiated among Jordan, UAR, Israel (one possibility is a transitional international trusteeship to provide time for relocation of refugee population and establishment of self-government prior to affiliation with whatever regime prevails on the West Bank).

B. In judging these terms, two factors must be considered:

1. The position on borders is what President Johnson told King Hussein the US had in mind when Hussein agreed in November 1967 to accept our final draft of the UN resolution. These are the only (if any) terms Hussein could defend.
2. Israel does not seem inclined to accept.

C. Conclusion: The US has an interest in Israeli security but not in Israeli expansion. Minor border rectifications to decrease the vulnerability of Israel's narrow waist would be consistent with US interest. So would a Muslim civil role in Jerusalem.

II. Should we now turn our attention to a Jordan-Israel settlement?

A. The main arguments for are:

1. The US has more interest in seeing Hussein get his territory back than Nasser. We concentrated first on the UAR settlement only to test Soviet intentions and make it easier for Hussein.
2. Jordan is where the Palestine question has to be resolved. The Israel-UAR contest is essentially a geopolitical one.

B. The main arguments against are:

1. The growing strength of the Palestinian movement makes it unlikely that Hussein could make a peace that does not completely accord with Palestinian wishes, though it is still conceivable.
2. The growing strength of the Palestinians introduces another dimension--that the only solution possible today is a Palestinian-Israeli solution, not a Jordan-Israel one. What this would mean is that we would have to wait until the Palestinians are cohesive enough to speak with one voice and strong enough to force their way to the negotiating table.

- C. Conclusion: There is some value in rounding out our position by trying to pin down Israeli and Jordanian negotiating positions. We will never know what is possible until we try. The extent to which we involve ourselves will depend on how far we are willing to go in pressing Israel toward reasonable terms.

III. This then raises the broader question whether we should go ahead with the Four Power talks on Jordan. Secretary Rogers has proposed that, if we resume, we try to limit the agenda to Jordan.

A. The arguments for going ahead are:

1. This offers an opportunity for isolating the Israeli and Jordanian positions without making the US alone responsible for producing agreement in the first instance (in contrast to our assuming the role of intermediary).
2. While the US may be partially isolated on substance in the Four-Power meetings, the US could be completely isolated if it blocked a meeting. Refusing to meet--unless related to some new initiative--would just about end our initiatives for peace in the Near East.
3. It is important to preserve hope of a big-power solution--in general as a stabilizing factor in the Mid-East and in particular as a moderating factor before the December 20 Arab summit.

B. The arguments against are:

1. Re-starting the Four Power meetings and then breaking them off early next year could have an even more serious impact in the area than not re-starting them. [This argument depends on chances of success.]
2. The exercise will fail and the US will end up with the onus because it can not sell even a fair settlement to Israel.
3. It closes one option in response to a negative Soviet response to Sisco's formula--cutting off our participation in talks in any forum. The argument for this would be that the Soviets want to keep talks going while we might want them to pay a price for it. The argument against is that the US would then bear the onus for breaking off Mid-East peace efforts.

4. Eventually, the US-USSR document could end up in the Four-Power forum along with the Jordanian issue, and we would face British and French whittling there. We could end up with a position on which there is almost no hope of producing Israel.

IV. Should we involve ourselves as an intermediary in a Jordan-Israel negotiation?

A. The arguments for are:

1. The Israelis are not likely to give Hussein terms he can accept without some US pressure. There will be no settlement without US pressure.
2. This is the only way to press either party hard enough to find out what the real terms of a compromise are.

B. The arguments against are:

1. A settlement seems unlikely.
2. If we assume the role of intermediary, the Arabs will blame us for failure if we do not apply maximum pressure to Israel.

V. The course I would suggest:

- A. Tell the British and French that we will resume the Four Power talks if they will agree to limit the agenda to Jordan in the coming weeks.
- B. Prepare to tell Dobrynin--if his reply on a UAR settlement is unsatisfactory--that there is no point in continuing the US-USSR talks on a UAR settlement. We might accept his minor suggestions and then leave it at that.
- C. Attempt to involve ourselves in Israel-Jordan negotiations before the December 20 Arab summit. [My judgment is that we will be blamed for failure whatever we do and we might as well satisfy ourselves that no settlement is possible.]

- D. This is somewhat harder than Secretary Rogers' proposal. I have no illusions about success, but I do not feel we will have been fair to your objective of "exploring every avenue" unless we (1) go back hard at the Soviets on a UAR settlement and (2) make a serious effort on the Jordanian side. We will incur some additional blame, but I question whether it will be significantly more than we will receive anyway.

Approve _____ Disapprove _____ Other _____

THE SECRETARY OF STATE
WASHINGTON

November 16, 1969

SECRET/NODIS

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Middle East Settlement Efforts

I want to review the current state of our efforts to achieve a Middle East settlement, the immediate decisions we face, and the courses of action for the future which we recommend for your approval.

Politically, the situation in the area has become more difficult for us and our friends. While the Lebanese crisis has temporarily abated, the basic aims of the Palestinian militants and of the Lebanese Government remain incompatible and the situation is therefore extremely fragile. In addition, the meeting of Arab Foreign and Defense Ministers, which has just ended, highlighted and gave further emphasis to the strong anti-U.S. currents in the Arab world. It also further crystallized Arab frustrations at the lack of progress toward a political settlement, reflected the increasingly fatalistic attitude that another war is inevitable and strengthened the hand of the Palestinian militants and their supporters such as Syria. The summit conference of Arab Chiefs of State now scheduled to open in Rabat December 20 will give impetus to these trends if they are not reversed, will lock the Arabs further into postures making the chances for a peaceful settlement even slimmer and could bring a formal Arab renunciation of peace efforts based on the November 22, 1967 Security Council Resolution. In this atmosphere the remaining moderate Arab governments feel increasingly beleaguered, the most dramatic example being that Hussein has put out strong feelers to the Soviets for meeting certain needs for arms.

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GROUP 3

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On the Israeli side, the Government of Israel has staked out its firm opposition to the positions we have taken in the major power talks. This opposition is likely to increase in the days ahead, and criticism from the Jewish community in the U.S. is likely to grow, particularly if we go much beyond our present position. In Israel, as the maneuvering for the formation of a new Government goes forward, Prime Minister Meir is seeking to retain elbow room to negotiate a settlement with the Arabs if Israel's minimum condition is met -- i.e., an Arab willingness to sit down and negotiate peace with Israel.

In our bilateral talks with the Soviets, we have made a major effort to reach agreement with them on a package framework for an Israeli-UAR settlement based on the trade-off of: (a) an Israeli commitment to withdraw to the former international frontier with Egypt; and (b) a UAR commitment to peace, including control of guerrilla activity, and to negotiate detailed security arrangements and related matters with Israel according to the flexible negotiating procedures followed by the parties at Rhodes in 1949.

While recognizing that prospects were slim, our objective has been to achieve an agreed US-Soviet document along these lines that could be turned over to the Four Powers and then to Ambassador Jarring to help him renew the dialogue among the parties. It now appears that the reaction to our efforts on an Israeli-UAR document will lead to further protracted discussion. The initial UAR reaction is negative, largely on the grounds that the document we have been developing with the Soviets leaves the question of a Jordanian settlement (including particularly the territorial aspects) untouched and requires the parties themselves to work out such issues as Sharm al-Shaykh and Gaza instead of providing a complete blueprint which would exclude Israel from any say in these questions vital to its security. We expect that the Soviets will neither accept nor reject our latest effort but rather will seek to negotiate it into a document conforming more closely to what the UAR desires. The British are wobbly, and the French are likely to be unhelpful.

This will give us great difficulties which arise largely because, as the other major powers spell out the terms of a settlement, we will be pressed to take positions on which we cannot produce Israel, given its strong feeling that the settlement terms should be negotiated directly between it and the Arabs.

Against the foregoing background, we face two urgent decisions:

1. Do we return to the Four Power forum or disengage; the British, French and Soviets are pressing for an early resumption. The Soviets have probably concluded we will go no further in the bilateral context than our present proposals which are, in our judgment, balanced, fair to both sides, and defensible to public opinion at home and abroad.

2. What to do about the Jordanian aspect of a settlement, which involves not only many of the same issues as a UAR settlement but the more complicated questions of refugees, Jerusalem and the West Bank border between Israel and Jordan within the former Palestine mandate area where no recognized international boundary has ever existed.

Four Power Talks: Do We Resume Or Do We Disengage?

The signs are clear that the French will not stand with us. They are willing to go beyond our position substantively for two principal reasons: they properly assess the chances for a settlement as slim and therefore want to be sure the positions they adopt will help to bolster and bulwark their position primarily in the Arab world; and their approach to achieving a settlement is different than ours. They lay greater store than we do on the possibility of the weight of a Four Power consensus on the parties, and more particularly its effect on Israel. A failure to convince Israel would be our failure and not theirs; therefore, they have a relatively free ride in the Four Power context. The foregoing pressures also operate on the British, and their firm support is not assured; they are inclined more than the French to avoid a break with us.

There is a case to be made for the U.S. to refuse to agree to resumed Four Power meetings as long as we and the Soviets remain unagreed on the Israeli-UAR Joint Working Document (TAB A). Submitting the joint US-USSR document without Soviet agreement will inevitably invite U.K. and French whittling away and lead to digging ourselves deeply into a substantive position on which there will be no real hope of producing Israel. It can also be argued that while Nasser's reaction is unpredictable, U.S. unwillingness to engage in Four Power talks would be a clear signal that the Four Powers are unable to produce for him the Israeli withdrawal from the occupied territories. As long as there was serious hope of a common US-USSR position, the Israeli argument that the Four Power forum provided Nasser an instrument to escape his responsibilities was open to serious doubt. There is more substance to this argument today.

On the other hand, such a move would appear to the world that the U.S. was giving up and, therefore, blocking further peace efforts; our position in the Arab world would further deteriorate even to the point where American lives and property could be put into jeopardy; the pressures on Lebanon and Saudi Arabia would continue to increase; and this would be a strong blow to King Hussein, whose continuing desire to make peace needs all the moral and political support we can muster. In these circumstances, we could expect that the December 20th Arab summit meeting would decide formally to close the door on a political solution. I reluctantly conclude therefore, with all of the difficulties that I foresee, that we should agree to renewal of the Four Power meetings beginning on November 21.

The question will immediately arise: what should the Four Powers focus on? The Soviets will probably press for an across-the-board approach dealing with the entire problem in all its aspects and especially with the question of total Israeli withdrawal everywhere including Syria and Jerusalem as well as Sinai and the West Bank. We cannot support such a position because we could not produce Israel. From our viewpoint, one possible counter to so

unproductive an approach would be to table the paper we have developed for an Israel-UAR settlement. We may want to table it in the Four Power forum at some point, but I would not want to do this unless the French and the British are first firmly tied down. We have in mind the possibility of personal messages from you to Wilson and Pompidou at an appropriate stage. In the unlikely event the Soviets accept the bulk of the joint US-USSR document, or if necessary to pin down the UK and French, there are only two additional changes in the paper on an Israel-UAR settlement which we should be prepared to make: (a) a cosmetic change in the paragraph dealing with the Israeli-UAR border (Point 3) which would improve its presentational form from the Arab point of view; and (b) an addition to Point 4 to clarify that neither Israel nor the UAR would lay claim to Gaza.

These two changes will add to Israel's concern over the proposed document on an Israel-UAR settlement. They are, however, consistent with the basic principles guiding our approach to a settlement and fully protect Israel's interests by providing for Israeli participation in negotiating security arrangements on the ground. I do not believe we should go any further than this in modifying our position on an Israel-UAR settlement as reflected in the current U.S.-USSR Working Paper. Furthermore, I believe we must make clear to the British and French that we will not discuss that paper in the Four, and will reconsider the whole question of our continued participation in that forum, unless they commit themselves not to seek to whittle away our position, particularly as it relates to the concept of neutral formulations for the parties to negotiate: (a) practical security arrangements for Sharm al-Shaykh and Gaza; and (b) areas to be demilitarized. If the Four Powers pronounce themselves on these, what chance we have of producing Israel will be doomed. Israel will say, with some validity, what is there left to negotiate on the UAR-Israeli aspect? We will be pressed by the other three to "impose" this on Israel; it is naive for Foreign Minister Stewart to say that no nation can long refuse a solution agreed upon by the Four Powers and backed by the weight of world opinion. No nation other than Israel, that is. I doubt we can defend such a line here at home without jeopardizing support from certain elements of public opinion of our stance on Vietnam.

If we do not begin with a UAR-Israel settlement in the Four Power forum, the alternative -- and the one I recommend -- is that we agree that the Four Powers resume and propose that they consider the Israeli-Jordanian aspect of a settlement. The British and French are anxious for us to join them in calling an early meeting of the Four Powers, and we propose to use the leverage this gives us to seek to line up as much of their support as possible in advance for steering the Four Power talks in this direction.

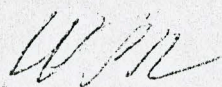
Jordanian Part of Settlement

Neither the Soviets nor the Egyptians are likely to make final commitments on the UAR-Israeli part of the settlement until they know more about the shape of the Jordanian settlement. Hussein himself is very anxious for the U.S. to become more directly involved on the Jordanian part. He does not want, nor do we want, a Soviet broker. We believe, therefore, that in the days ahead we should concentrate on this part of the settlement in two ways: (a) Ambassador Yost would engage in discussions on this aspect in the Four Power context; (b) we will raise with Israel and Jordan at an early date whether they would agree to the U.S. playing a singular middle man role between them while the Four Power talks are going on to see whether there is some common ground that can be developed between them.

We have given considerable thought to both the tactics and the substance of the U.S. position on the Jordanian aspect in the Four Power forum. We have concluded that tactically there is merit in letting the British and French take the lead on the Jordanian aspect and for us to try to assume a lower silhouette in the Four Power forum. Substantively we believe Ambassador Yost should stay within the confines of the document setting forth the framework for an Israeli-Jordanian settlement which I sent you on October 10. I now recommend that Ambassador Yost be authorized to use this document (TAB B) as guidance for the position he would take in reacting to proposals by others in the Four Power discussions; he would not table this paper and would ask for further instructions on any proposals that go beyond it.

Policy Statement

While the foregoing moves are in train, we also want to take steps to get the elements of our position on an overall Arab-Israeli settlement on the public record in an effort to make clear that it is basically a balanced position and not simply a carbon copy of Israeli views. Israel is already criticizing our position publicly, and such an effort on our part is not likely to come as a surprise to them even though they would clearly prefer that we not make this effort. Such an effort will not satisfy the Arab extremists, but it will be difficult for either side or world opinion to criticize objectively and will be of some help to our beleaguered friends in the Arab world. I will be sending you shortly for your review the text of a speech I propose to make very soon outlining the elements of our Middle East policy.



William P. Rogers

Enclosures:

- TAB A - U.S.-USSR Joint Working
Paper on Israel-UAR
Settlement
- TAB B - Fundamental Principles for
Israel-Jordan Settlement

SECRET

JOINT US-USSR WORKING PAPER

FUNDAMENTAL PRINCIPLES

Israel and the UAR,

In consideration of their obligations under the Charter of the United Nations,

Confirming their obligations under Security Council Resolution 242 of November 22, 1967 and expressing their readiness to implement it in good faith in all of its provisions,

Recognizing the inadmissibility of the acquisition of territory by means of war,

Recognizing also the need to establish a just and lasting peace in the Middle East under the terms of which each State in this area can live in security,

Agree that their representatives under the auspices of Ambassador Jarring will follow the procedures the parties utilized at Rhodes in 1949 to work out without delay, starting on the basis of the following provisions, a final and reciprocally binding accord on ways of implementing Security Council Resolution 242 of November 22, 1967 to establish a just and lasting peace.

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Point 1

The parties, in reaching a final accord (contained in a final document or documents) on a package settlement on the basis of these Fundamental Principles, would determine a timetable and procedures for withdrawal of Israeli armed forces from UAR territory occupied during the conflict of 1967 to boundaries to be delineated in accordance with Point 3 as well as an agreed plan for interrelated fulfillment of all other provisions of Security Council Resolution 242.

Point 2

The state of war and belligerency between Israel and the UAR would be terminated and a formal state of peace would be established between them, and both parties would refrain from acts inconsistent with the state of peace and the cessation of the state of war.

In particular:

1. No aggressive action by the armed and other forces -- land, sea, or air -- of either party would be undertaken or threatened against the people or the armed forces of the other.

2. Both parties would undertake to do all in their power to ensure that acts of hostility and belligerency whether by government agencies, personnel, or private persons or organizations will not originate from and are not committed from within their respective territory.

3. Both parties would refrain from intervening directly or indirectly in each other's domestic affairs for any political, economic, or other reasons.

4. Both parties would confirm that in their relations with each other, they will be guided by the principles contained in Article 2, paragraphs 3 and 4 of the UN Charter.

Point 3

The parties would agree on the location of the secure and recognized boundary between them, which would be shown on a map or maps approved by the parties which would become part of the final accord. In the context of peace, including inter alia agreement between the parties on the establishment of demilitarized zones, on practical security arrangements in the Sharm al-Shaykh area for guaranteeing freedom of navigation through the Strait of Tiran, and on practical security arrangements

and final disposition of Gaza, the former international boundary between Egypt and the mandated territory of Palestine would become the secure and recognized boundary between Israel and the UAR.

Point 4

For the purpose of ensuring the territorial inviolability of the parties and guaranteeing the security of the recognized boundary, the parties, following the procedures set forth in the last preambular paragraph of this document, would work out an agreement on:

- (a) Zones to be demilitarized and procedures for ensuring their demilitarization;
- (b) Practical security arrangements in the Sharm al-Shaykh area to assure freedom of navigation through the Strait of Tiran; and
- (c) Practical security arrangements for and final disposition of Gaza.

Point 5

The parties would agree and the Security Council would reaffirm:

- (a) That the Strait of Tiran is an international waterway; and
- (b) That the principle of free navigation for vessels of all countries, including Israel, applies to the Strait of Tiran and the Gulf of Aqaba.

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Point 6

The UAR would affirm that, in its exercise of sovereignty over the Suez Canal, the ships of all nations, including Israel, will have the right of freedom of navigation without discrimination or interference.

Point 7

The parties would agree to abide by the terms of a just settlement of the refugee problem as agreed upon in the final accord between Jordan and Israel, and to participate as Ambassador Jarring may deem desirable in working out the terms of said settlement.

It would be understood that the accord between the UAR and Israel would be paralleled by an accord between Jordan and Israel, which would include agreement on a just solution of the refugee problem. Implementation of both accords would begin only after agreement had been achieved on the entire package.

Point 8

The UAR and Israel would mutually agree to respect and acknowledge each other's sovereignty,

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territorial integrity, inviolability and political independence and each other's right to live in peace within secure and recognized borders free from threats or acts of force.

Point 9

The final accord would be recorded in a document which is to be signed by the parties and immediately deposited with the UN. After the parties have deposited such a document, the Secretary General of the UN would be requested by the parties immediately to inform the Security Council and all UN Member States to that effect.

From the moment of deposit, the document would become binding on the parties and irrevocable, and implementation and observance by the parties of the provisions of the accord would begin. In the implementation of the final accord, it would be understood by the parties that their respective obligations would be reciprocal and interdependent. The final accord would provide that a material breach of that accord by one of the parties shall entitle the other to invoke the breach as a ground for suspending its performance in whole or in part until the breach shall be cured.

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Point 10

Both parties would agree that the final accord would be submitted to the Security Council for its endorsement.

* * * * *

It would be understood that France, the United Kingdom, the United States and the Union of Soviet Socialist Republics would submit and support an appropriate Security Council resolution and pledge that they would concert their future efforts to help the parties abide by all of the provisions of the final accord or accords.

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FUNDAMENTAL PRINCIPLES

Israel and Jordan,

In consideration of their obligations under the Charter of the United Nations,

Confirming their obligations under Security Council Resolution 242 of November 22, 1967 and expressing their readiness to implement it in good faith in all of its provisions,

Recognizing the inadmissibility of the acquisition of territory by means of war,

Recognizing also the need to establish a just and lasting peace in the Middle East under the terms of which each State in this area can live in security,

Agree that their representatives under the auspices of Ambassador Jarring will follow the procedures the parties utilized at Rhodes in 1949 to work out without delay, starting on the basis of the following provisions, a final and reciprocally binding accord on ways of implementing Security Council Resolution 242 of November 22, 1967, to establish a just and lasting peace.

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Point 1

The parties, in reaching a final accord (contained in a final document or documents) on a package settlement on the basis of these Fundamental Principles, would determine a timetable and procedures for withdrawal of Israeli armed forces from Jordanian territory occupied during the conflict of 1967 to boundaries to be delineated in accordance with Point 3 as well as an agreed plan for interrelated fulfillment of all other provisions of Security Council Resolution 242.

Point 2

The state of war and belligerency between Israel and Jordan would be terminated and a formal state of peace would be established between them, and both parties would refrain from acts inconsistent with the state of peace and the cessation of the state of war.

In particular:

1. No aggressive action by the armed and other forces -- land, sea, or air -- of either party would be undertaken or threatened against the people or the armed forces of the other.

2. Both parties would undertake to do all in their power to ensure that acts of hostility

and belligerency whether by government agencies, personnel, or private persons or organizations will not originate from and are not committed from within their respective territory.

3. Both parties would refrain from intervening directly or indirectly in each other's domestic affairs for any political, economic, or other reasons.

4. Both parties would confirm that in their relations with each other, they will be guided by the principles contained in Article 2, paragraphs 3 and 4 of the UN Charter.

Point 3

The parties would agree on the location of the secure and recognized boundary between them, which would be shown on a map or maps approved by the parties which would become part of the final accord. In the context of peace, including inter alia agreement between the parties on the establishment of demilitarized zones, the secure and recognized boundary between them would approximate the 1949 Armistice Demarcation line. Adjustments in that line would be limited to those agreed by the parties for purposes of security and of

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administrative and economic convenience and would be based to the extent possible on the principle of reciprocity.

Point 4

Israel and Jordan would work out between them the status of the city of Jerusalem. Both parties would agree that Jerusalem is a special case to which the following principles apply: (a) it should be a unified city within which there should be unrestricted movement of persons and goods; (b) there should be unrestricted freedom of access to the unified city for persons of all faiths and nationalities; (c) arrangements for the administration of the unified city should take into account the interests of all its inhabitants and of the international Jewish, Islamic and Christian communities, and should provide a role for the Governments of Israel and Jordan in the civic, economic and religious life of the city.

Point 5

Jordan and Israel would participate in working out the disposition of Gaza in accordance with the

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provisions of Point 4 of the Fundamental Principles for a final accord between Israel and the UAR.

Point 6

For the purpose of ensuring the territorial inviolability of the parties and guaranteeing the security of the recognized boundary, the parties, following the procedures set forth in the last preambular paragraph of this document, would work out an agreement on zones to be demilitarized and procedures for ensuring their demilitarization.

Point 7

Both parties would affirm that the Strait of Tiran is an international waterway and that the principle of free navigation for vessels of all countries applies to the Strait of Tiran and the Gulf of Aqaba.

Point 8

In order to bring about a just settlement of the refugee problem, both parties would accept the principle that the refugees from the war of 1948, including those who are under the mandate of UNRWA, would have the choice between repatriation to Israel

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and resettlement with compensation. Both parties would agree on the practical need to implement such a settlement through mutually acceptable procedures setting forth the arrangements under which repatriation and resettlement would take place as well as the number to be repatriated and resettled annually in order to carry out the decisions of the United Nations with respect to the Palestine refugees. The procedures would be worked out under Ambassador Jarring's auspices by Israel and Jordan and such other parties, including in particular the UAR, whose participation Ambassador Jarring may determine to be desirable and necessary. If the parties so agree and Ambassador Jarring considers it desirable, an international commission would be established to ascertain the choice of the refugees. The parties would agree that implementation of all other parts of the final accord need not await the full implementation of the settlement of the refugee problem, and also that the first group of refugees choosing repatriation would arrive in Israel within three months from the entry into effect of the final accord between the parties.

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Point 9

Jordan and Israel would mutually agree to respect and acknowledge each other's sovereignty, territorial integrity, inviolability and political independence and each other's right to live in peace within secure and recognized borders free from threats or acts of force.

Point 10

The final accord would be recorded in a document which is to be signed by the parties and immediately deposited with the UN. After the parties have deposited such a document, the Secretary General of the UN would be requested by the parties immediately to inform the Security Council and all UN Member States to that effect.

In the implementation of the final accord, it would be understood by the parties that their respective obligations would be reciprocal and interdependent. The final accord would provide that a material breach of that accord by one of the parties shall entitle the other to invoke the breach as a ground for suspending its performance in whole or in part until the breach shall be cured. From the moment of deposit, the document would become binding on the parties and irrevocable, and implementation and

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observance by the parties of the provisions of the accord would begin.

Point 11

Both parties would agree that the final accord, including the map or maps delineating the final boundaries, would be submitted to the Security Council for its endorsement.

* * * *

It would be understood that the accord between Jordan and Israel would be paralleled by an accord between the UAR and Israel. Implementation of both accords would begin only after agreement had been achieved on the entire package.

It would also be understood that France, the United Kingdom, the United States and the Union of Soviet Socialist Republics would submit and support an appropriate Security Council resolution and pledge that they would concert their future efforts to help the parties abide by all of the provisions of the final accord or accords.

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