



**SOVIET-AMERICAN  
REGIONAL COMPETITION,  
1976  
II. THE MIDDLE EAST  
AND THE GREAT POWERS**

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## The Lebanese Civil War

1. The Misleading Prelude: Early Spring 1976.<sup>1</sup> By April 1976 the endemic Lebanese civil war, the pro-PLO Arab demonstrations in the Israeli-occupied West Bank and in the Arab-populated areas of pre-1967 Israel, and the Syrian intervention in the Lebanon civil war on the side of the radical Muslims and the PLO had encouraged the PLO, raised its international prestige, and alarmed Israel.<sup>2</sup> Syrian-Egyptian relations had sharply deteriorated as a result of the second Egyptian-Israeli disengagement agreement and the failure to achieve a Syrian equivalent. It therefore seemed that Soviet influence, which had previously suffered

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<sup>1</sup>This preliminary survey and analysis is primarily based upon discussions in Greece, Turkey, Israel, Jordan, and Egypt in July and August 1976 and in Iran in September 1976. I am grateful to The Reader's Digest, of which I am a roving editor, and to its editor-in-chief Edward T. Thompson for sponsoring my trip and to the Earhart and Carthage Foundations for research support. The discussions which I had were so extensive and as to their participants and nature often so confidential that I will not list their participants here, but I am particularly indebted to J.D. Panitza for discussions during my trip.

<sup>2</sup>I have profited the most from a seminar on the Lebanese situation given at the Harvard Center for International Affairs on October 14, 1976 by Prof. Walid Khalidi of the American University of Beirut (AUB), currently a research fellow of the Center; from three articles in the Neue Zürcher Zeitung by Arnold Hottinger, "Das Engagement arabischer Staaten in Libanon," June 13-14, 1976, "Präsident Asads Politik in Libanon," Aug. 18, 1976, and "Syriens Strategie in Libanon," Sept. 11, 1976; from a discussion in Cambridge on October 28, 1976 with Prof. John Batatu of AUB; and from Patrick Seale, "Left's bid for power in Palestine is destroyed," The Observer, July 18, 1976. For Syria, see Elizabeth Picard, "La Syrie du 'redressement' et les chances de paix au Proche-

major setbacks, might rise again, and that of the United States decline.<sup>3</sup>

2. Bouleversement des alliances. Seldom if ever in the Middle East were appearances more deceptive. By summer 1976 the situation was largely reversed. Syria intervened in Lebanon (with Soviet arms!) against the Soviet-supported radical Muslims and the PLO, armed and helped the Maronites (also clandestinely armed by the Israelis), and with them systematically, ruthlessly, and relentlessly pushed the PLO and the radical Muslims toward defeat. Sadat gave verbal support and some arms to the embattled PLO but was at sword's point with its other supporter Qhadhdhafi. As the bloody civil war dragged on and the Syrians and Maronites continued to win, the losers, aside from the devastated Lebanon itself, were the PLO, the radical Muslims, Jumblat, and the Soviets. The other winners were Israel and the

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Orient," Politique étrangère, no. 2, 1976, also in German, "Syrien in der Phase des Wiederaufbaus und die Aussichten für eine Friedensregelung im Nahen Osten," Europa Archiv, April 25, 1976. For Egypt, see Peter Mansfield, "Mr. Sadat's Egypt," The New Statesman, July 30, 1976.

<sup>3</sup>William E. Griffith, "Soviet Influence in the Middle East," Survival, Jan.-Feb. 1976; Oles Smolansky, "The Soviet Union and the Middle East," in William E. Griffith, ed., The Soviet Empire: Expansion and Detente (Lexington, Mass: Lexington Books, 1976), pp. 259-284; Hélène Carrère d'Encausse, La politique soviétique au moyen-orient 1955-1975 (Paris: Presses de la Fondation nationale des science politiques, 1975); A.H. [Arnold Hottinger], "Moskaus Schwierigkeiten im arabischen Raum," Neue Zürcher Zeitung, June 4, 1976; Gerd Linde, "Die sowjetische Position in Nahost im Frühjahr 1976," Berichte des Bundesinstituts für ostwissenschaftliche und internationale Studien (Cologne), July 1976; William B. Quandt, Soviet Policy in the October 1973 War, RAND R-1864-ISA, May 1976; Arnold L. Horelick, Moscow's Rift with Sadat: Implications for Soviet Middle East Policy, RAND P-5666, May 1976; reprinted in Middle East Review, Spring-Summer 1976, a special issue on U.S.-Soviet Détente and the Middle East, q.v., especially the article by Robert O. Freedman. For general background on recent Middle Eastern developments, see Arnold Hottinger, "The Great Powers and the Middle East," in William E. Griffith, ed., The World and the Great Power Triangles (Cambridge, Mass.: M.I.T., 1975), pp. 99-184 and his running coverage in the Neue Zürcher Zeitung; A.L. Udovitch, ed., The Middle East: Oil, Conflict and Hope (Lexington, Mass.: Lexington Books, 1976); J.C.

United States.

3. The background. The Lebanese civil war grew out of a religious and socio-economic struggle between the Christian Maronites, who although probably only about forty percent of the population dominated the country politically as well as economically, and the PLO, the radical Muslims, and Jumblat's Druses. It was intensified by several other factors. The first was the radicalization of the PLO in the Lebanon, arising out of its defeat in Jordan in September 1970 and its frustration vis-a-vis Israel. The second was the radicalization there of the Muslim masses, in part because Israeli bombing of the southern Lebanon drove thousands of destitute Shi'a Muslims into the teeming shanty-towns around Beirut, and the resultant decline in the authority of the traditional Muslim notables. The third was the determination of Jumblat, supported by the PLO and the radical Muslims, to "de-confessionalize" the Lebanon, i.e. to give control to the Muslim majority. The fourth was the determination of the Maronite Christians to maintain their power and their elite's flaunting of its wealth and privilege. The fifth was the omnipresent influence of other Arab powers, which intensified conflict and hindered compromise. Libya and Iraq supported the radical Muslims and the PLO, particularly its radical wing; so did the Soviets. So, initially, did the Syrians, until they switched to support the Maronites, whereupon Egypt embraced the PLO. The Israelis covertly supported the Maronites as well. (The Americans, after initially encouraging the Sunni Prime Minister Rashid Karame, lapsed into relative inactivity.) Finally, the Arabs were embroiled among them-

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Hurewitz, ed., Oil, The Arab-Israeli Dispute, and the Industrial World (Boulder, Colo.: Westview Press, 1976.)



selves: Morocco vs. Algeria, Egypt vs. Libya, Syria vs. Libya, Syria vs. Iraq, Libya vs. Tunis and the Sudan, and, as a result of the second Sinai disengagement agreement, Syria vs. Egypt, which made mediation or settlement of the Lebanese civil war the more difficult.

The PLO's initial role in the Lebanese civil war raised its prestige. The April 1976 pro-PLO demonstrations in the West Bank and by Israeli Arabs in Nazareth and elsewhere within the pre-1967 boundaries of Israel raised it even more. The subsequent municipal elections in the West Bank were won almost entirely by radical, pro-PLO Arab nationalists.

By April 1976 the PLO and the radical Muslims seemed to be winning, but the tenacious struggle of the Maronites, as desperate as that of the Catholics in Northern Ireland, made partition seem likely. Partition would have meant that the PLO and the radical Muslims would control the southern Lebanon. It would therefore likely have precipitated Israeli military intervention, which until then Washington had helped to avoid, and which might well have sparked another war between a militarily superior Israel and the disunited Arabs.

Although Maronite tenacity was important, the major cause of the recent PLO defeats in the Lebanon was the Syrian military intervention against them and their radical Muslim allies. Syria's minimal goals in this switch of alliances were two, both defensive. The first was to avoid partition of Lebanon and thereby the danger of Israeli military intervention and the embroilment of Syria in war with Israel. The second was to avoid the establishment in a partitioned Lebanon of a radical, PLO-controlled

government, supported by Syria's two principal enemies, Iraq and Libya, and, for different reasons, by the Soviets and Egypt, whom Syria distrusted, and which would threaten the Syrian Ba'ath leadership from the left. Syria wanted moderate reforms in Lebanon, to make Christians and Muslims equal, but it opposed Jumblat's "de-confessionalization" and the PLO's radicalism and enjoyment of an independent base in the Lebanon. (This "moderate" Syrian policy in the Lebanon also reflected Assad's domestic move away from extreme left-wing radicalism.)

Syria was supported in these aims by conservative, anti-Soviet Saudi Arabia, on which it depends for financial subsidies, and by traditionally anti-left and anti-PLO Jordan, Syria's new ally. Moreover, Syria and Jordan, with Egypt concentrating on its domestic affairs, wanted to establish a new center of power in the Arab East, hopefully including the Lebanon and the West Bank as well, which could counterbalance Egypt and Iraq, control and de-radicalize the PLO, try to persuade the Americans to impose a settlement on Israel, hold off Soviet influence, and negotiate successfully with--or eventually fight--Israel on more even terms.

Syrian policy in the Lebanon has been recently unsuccessfully opposed by the Soviet Union, its major arms supplier. Syria also realized that the PLO, which has refused to recognize U.N. Resolution 242 (i.e. the 1967 frontiers of Israel) and has thus forfeited U.S. recognition, was an obstacle to a peace settlement through which, and only through which, Syria could hope to recover the Israeli-occupied Golan Heights. The American attitude to the Syrian intervention was reportedly benevolent, although I know of no evidence for the widespread belief in the Arab world that

Washington has been leading a "plot" against the PLO.<sup>4</sup>

Syria's principal maximal aims were to acquire hegemony over, although not to annex, a formally unpartitioned Lebanon, and thereby to deprive the PLO of its last independent base of operations and thus bring it under de facto Syrian control.

Syrian President Assad worked toward these aims slowly but, in spite of his initial underestimation of PLO resistance, surely. Unlike Sadat he did not break with the Soviet Union. Rather--the most unkindest cut of all!--he used Soviet weapons to defeat the Soviets' allies in the Lebanon. The Soviets have not broken with him and continue to supply him with some arms, probably because they think that he will win and therefore do not want to cut their ties with him. Moscow even recently publicly criticized the radical Palestinians, thus perhaps indicating that it hoped to improve its strained relations with Damascus.<sup>5</sup>

4. The Results. At this writing (early November 1976) it was unclear whether the cease-fire which was declared in October by all Arab states except Iraq and Libya at meetings in Riyadh and Cairo would last. It occurred primarily because the conservative Arab states wanted to end the civil war in order to prepare for renewed pressure on Israel after the U.S. presidential elections and to prevent Assad from completely crushing the PLO. Whether it lasts or not, the Syrian position in the

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<sup>4</sup>See Eric Rouleau from Damascus, "Le 'complot'," Le Monde, June 1, 1976

<sup>5</sup>"Observer" (i.e. an especially authoritative article), "Finding a Way Out of the Lebanese Impasse," Pravda, Sept. 8, 1976 (FBIS/SOV/Sept. 9, 1976/Fl-4.)

Lebanon had become firmer and Assad and Sadat, under Saudi and Kuweiti pressure, were beginning to patch up--or paper over--their essentially tactical differences. (Assad was doing this in part to get help against his long-term enemy Iraq.) Assad and Arafat were making motions toward reconciliation. Finally, Assad was beginning again to distance himself from the Maronite Christians and Israel's support of them. Whether these trends would continue or be interrupted was still unclear, but on balance they seemed likely to characterize the next act in the politics of the Arab East.<sup>6</sup>

Several results of the Lebanese civil war are already clear. The first is the devastation of the Lebanon. Second, the Lebanon remains formally united, with the conservative Maronite and Muslim establishments officially ruling but with Syria the hegemonic power. The third is Syria's defeat of the PLO, greater Syrian influence over it, and the cementing of Syria's alliances with Saudi Arabia and Jordan, based on anti-Soviet and anti-radical policies. Fourth, the PLO has lost its last and only available independent base. (Its radical wing [Habbash, Hawatmeh, etc.] will probably split off, under Iraqi and Libyan patronage, and revert to terrorism.) Fifth, the Soviets have lost most of their influence in the Lebanon and much of it in Syria and thus have suffered the latest in their recent series of defeats in the Middle East. Sixth, the influence of the moderate Arabs,

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<sup>6</sup>Geoffrey Godsell, "Blueprint for Lebanon: What Cairo Summit Means," The Christian Science Monitor, Oct. 28, 1976; Henry Tanner from Beirut, "After the Riyadh Talks, Foes and Friends Exchange Roles," The New York Times, October 23, 1976 and "Arab Nations Once More Focusing on Israel," ibid., October 31, 1976.

notably Saudi Arabia, and of their major de facto foreign ally the United States, has further risen. Seventh, the Israeli hawks have been strengthened, for they now effectively argue that if the Arabs will slaughter each other they will certainly try again to slaughter the Israelis; that if the Americans did not intervene to protect the Christians in the Lebanon, they cannot be trusted to intervene to protect the Jews in Israel; and that the Arabs are now so disunited that Israel need make no concessions for a peace settlement but can safely pursue the "creation of facts" -- more Israeli settlements in the West Bank and the Golan Heights. Eighth, although the end of the Lebanese civil war might make possible a second Syrian-Israeli disengagement agreement on the Golan Heights, the strength of the Israeli hawks and the Israeli settlements there make its prospects not very good. Those of an over-all settlement in the Geneva Conference context are even less favorable.<sup>7</sup>

#### The Future

That the Soviets will break with Assad seemed in early November 1976 unlikely. He had no reason to break with them. Now that he has largely subordinated the Lebanon and the PLO to his wishes, he will probably again turn politically against Israel, if only to distract attention from his own "second Black September" against the PLO. That under Saudi pressure he has become at least formally reconciled with Egypt is not surprising:

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<sup>7</sup> For an authoritative account of Kissinger's Middle Eastern diplomacy, see Edward R.F. Sheehan, The Arabs, Israelis, and Kissinger (New York: Reader's Digest Press, 1976.)

after all, despite their previous mutual polemics, he and Sadat share several common enemies: Libya, Iran, the PLO and the Soviets, and several common friends: Saudi Arabia, Kuwait, Jordan, and the United States. (Sadat's relations with Moscow remain bad.) Thus, ironically, that no great American-led conspiracy against the PLO has existed is, although true, less important than that things have turned out as though it had.

The current Arab disarray, the time required to rearm Egypt with western weapons paid for by Saudi Arabia and Kuwait,<sup>8</sup> and the great military strength and regained morale of Israel, due to U.S. arms aid, Arab disarray, and the successful Entebbe raid, all combine to postpone, perhaps for some years, another Israeli-Arab war. But because the Lebanese civil war and Entebbe have so strengthened the Israeli hawks and so frustrated the Arabs, another Israeli-Arab war, although postponed, seems therefore the more likely. Neither Israel nor the United States is likely soon to feel enough sense of urgency to push successfully for an Arab-Israeli settlement in the near future; and, even if the United States does so, Israeli intransigence makes success less likely than before.

Finally, although the PLO seems defeated, the Palestinian issue is only postponed. The PLO defeat is radicalizing many of the Palestinians. This could destabilize Kuwait and the Gulf sheikhdoms, where so many Palestinians live and work. (Indeed, the Ruler's recent dissolution of the Kuwaiti parliament

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<sup>8</sup>Sadat can hardly expect more than symbolic arms aid from China. For Chinese-Egyptian relations, see Rainer Glagow, "Die Ägyptisch-chinesischen Beziehungen," Orient (Hamburg), June 1976.

was in part caused by the radicalization of the Palestinians living there.)<sup>9</sup> More generally, the frustration and humiliation of the Arabs will contribute to the eventual likely renewed radicalization of the Arab world, to the right or to the left.

#### Other Middle Eastern Developments

Elsewhere Soviet influence also continues to decline. Although Iraq, because it is so anti-Syrian for internal Ba'athi as well as traditional and geopolitical reasons, has recently become at least rhetorically more anti-American, its imports of American technology continue, it continues to implement its agreement with Iran, and Soviet influence there remains less than it was several years ago. North Yemen has come under dominant Saudi influence and the Soviets (and the Chinese) have therefore lost their influence there. Judging by the recent resumption of relations between Riyadh and Aden, the same process may be underway in South Yemen as well.<sup>10</sup> At a minimum the Soviet presence in Aden no longer seems so firm. This has probably been caused in part by the defeat, with the aid of an Iranian expeditionary force, of the South Yemen-sponsored and Soviet-armed Dhofar rebellion. (One often hears that the Iranian troops are about to leave Oman but it does not necessarily follow

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<sup>9</sup>A.H. [Arnold Hottinger], "Das Ende des parlamentarischen Regimes in Kuwait," Neue Zürcher Zeitung, Sept. 4, 1976.

<sup>10</sup>Text of joint Saudi-PDRY statement: Radio Riyadh, March 10, 1976, 1130 GMT (FBIS/ME/March 11, 1976/C2.) See John Cooley in The Christian Science Monitor, May 4, 1976.

that they will. ) The Gulf Sheikdoms have remained stable, and Saudi influence there grows apace. Iran's power in the region also continues to rise. (One wonders how well the Iranian and Saudi policies will withstand the shocks of such rapid and massive modernization, including the influx of so many tens of thousands of foreign--primarily American--technicians.)<sup>11</sup> Conversely, Saudi-Somalia negotiations do not seem to have been successful, for disputed reasons,<sup>12</sup> and the Soviets still enjoy extensive facilities in Berbera, which they will find increasingly valuable vis-a-vis southern Africa as well as vis-a-vis the Gulf and the Indian Ocean.

#### Energy and Saudi-U.S. Relations<sup>13</sup>

Another, interrelated problem is the price and security of supply of U.S. imports of petroleum. It may best be divided into short-, medium-,

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<sup>11</sup>Ursula Braun, "Veränderungen im politischen System der Golfregion." Stiftung Wissenschaft und Politik, Feb. 1976; David E. Long, The Persian Gulf (Boulder, Colo.: Westview Press, 1976); Ga. from Doha, "Saudiische Blockpolitik auf der Arabischen Halbinsel," Neue Zürcher Zeitung, June 22, 1976; U.S. Military Sales to Iran, 94th Cong., 2nd session., Senate Committee on Foreign Relations, Staff Report to the Subcommittee on Foreign Assistance (GPO Committee Print, 1976); Karl Kaiser, "Iran and the Europe of the Nine: A Relationship of Growing Interdependence," The World Today, July 1976. See also my chapter on Iranian foreign policy in a forthcoming collective volume on Iran edited by Prof. George Lenczowski, to be published by the Hoover Institution.

<sup>12</sup>New York Times, May 5, 6, 1976.

<sup>13</sup>William D. Smith, "Oil Experts Say an Embargo Now Would Hurt U.S. More than in '73," New York Times, Oct. 18, 1976; Clyde H. Farnsworth, "Lag in Oil Conservation Troubles Aides of West's Energy Agency," ibid., Nov. 2, 1976; speech by ex-Ambassador to Saudi Arabia James E. Akins excerpted in Petroleum Intelligence Weekly, Oct. 25, 1976; John Viola, "The Arab Economic Boycott of Israel" (revised MS., Aug. 1976); A.J. Meyer and Thomas Stauffer, "The Failings of Anti-Boycott Legislation," National Journal, July 31, 1976; for the case of U.S. counter-boycott measures, testimony of Seymour Graubard, National



and long-range aspects. Its key short-range aspect is the rising U.S. need for supply of Saudi Arabian oil and for continued Saudi willingness to limit oil price increases.

As to supply: the U.S. oil imports have risen steadily since 1973 from 33 to 42 percent. Imports from OAPEC have risen from 11 to 18 percent. In 1972 Saudi Arabia became for the first time the major single U.S. source of imported oil. The U.S. will need to import as much as one million more barrels per day (mb/d) sometime between 1977 and 1980, because of U.S. economic growth, profligate oil consumption, lack of progress in "Project Independence," (the development of non-petroleum sources of energy), the decline in domestic U.S. oil and natural gas production, and the phasing out of Canadian oil exports. (After 1980 Alaskan and North Sea oil production will ease the U.S. and OECD situation somewhat.) Only Saudi Arabia has sufficient unutilized production capability (13 mb/d, of which only 8.5-9 mb/d is now in use) to satisfy projected U.S. needs.

The Saudi role is also key in the price of oil because by limiting its vast potential production only it keeps OPEC going. Otherwise, Saudi production would flood the market and OPEC would collapse. Therefore, only Saudi Arabia has the necessary deterrent bargaining power to limit OPEC price increases. It has so far been the more inclined to do so because of its general pro-U.S. policies.

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Chairman, Anti-Defamation League of B'nai B'rith to House of Representatives Committee on International Relations, June 10, 1976 and Dan S. Chill, The Arab Boycott of Israel (N.Y.: Praeger, 1976); and for the Administration case against anti-boycott legislation, testimony before the same committee by Secretary of Commerce Elliott Richardson on June 11, 1976 and by Secretary of the Treasury William Simon on June 9, 1976. For background, see Hurewitz,

In the medium-range perspective, the U.S. problem relates to the aftermath of another Arab-Israeli war. Given the immense post-1973 U.S. rearmament of Israel, the Israelis are likely to win it, if not indeed to start it as well in order to preempt the Arab arms buildup. Such an Israeli victory would most probably be followed by another, more severe Arab oil production limitation.

The long-range U.S. problem is that by the early twenty-first century world supplies of oil will no longer be sufficient for energy needs. Therefore by then the U.S. (and the rest of OECD) will need substantial non-petroleum sources of energy.

1. The U.S. need for more Saudi oil and for moderate OPEC price increases. This first, short-range problem is the most immediately in-exorable one. The U.S. (and OECD) economies cannot satisfy their rising need for petroleum imports except by imports from Saudi Arabia. Conversely, however, Saudi Arabia's own economic incentives are to cut production, not to increase it, in order to stretch out their not inexhaustible reserves as long as possible. Current Saudi production provides far more money than its small population and economy can absorb. The Saudi interest is therefore to have the oil increase in value in the ground rather than to invest the proceeds at rates which often do not compensate for inflation. (Iran, Iraq, and Venezuela, on the contrary, need all the oil revenues that they can get to improve the living standards of their large populations and rapidly

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Oil, the Arab-Israeli Dispute and the Industrial World and Dankwart A. Rustow and John F. Mugno, OPEC, Success and Prospects (New York University Press, 1976.) I have also profited greatly from discussions with Prof. Henry Jacoby of M.I.T. and A.J. Meyer of Harvard.

to build an industrial infrastructure before their smaller reserves give out.) Saudi Arabia has, usually alone, led the struggle against large OPEC price increases. From this viewpoint, as well as because it alone can satisfy rising U.S. oil needs, it is the natural U.S. ally in OPEC.

2. The danger of another Arab oil production limitation. In the medium-range Middle Eastern political context Saudi Arabia has been, with some success, urging moderation on Sadat and Assad, attempting to moderate the PLO's policies. However, after an Israeli victory in another Arab-Israeli war, the Saudis would have no other alternative but to impose a major oil production limitation. The U.S. would then have only three major options: either, under OAPEC pressure, to force the Israelis back to the 1967 boundaries, which U. S. allies would probably favor but which would make the Arabs the more likely thereafter to try to push Israel farther back still, or to cut back the U.S. economy and face the near-collapse of the West European and Japanese economies, or to invade and occupy the Saudi oil fields, which would turn the world against Washington, cause the Saudis to blow up the oil facilities, and be a recipe for indefinite colonial occupation, open-ended guerrilla war, and Soviet return to the Middle East.

Both the short- and medium-range problems argue for rapid U.S. implementation of Project Independence, since otherwise the U.S. will continue to increase its dependence on imported Arab oil. Why has it not occurred? Like Christianity, it has not been tried and found difficult; it has been found difficult and not tried. Congress has rejected the President's free market proposals; the President has vetoed Congress's interventionist proposals; and

the American public prefers cheaper gasoline today at the risk of economic catastrophe tomorrow. The Northeast wants cheap energy while Texas wants the contrary. The oil companies do not invest in production of petroleum substitutes from coal (the U.S. has the world's largest coal reserves) and oil-shale because they get no government assistance or guarantees and because the price is higher than the present OPEC oil price.<sup>14</sup> The environmentalists have also provided a major contribution to paralysis. Finally, the President has shown little leadership. The result has been administrative confusion and little accomplished.

The issue is not if the U.S. develops petroleum substitutes; the question is only when it does. It must do so by the early twenty-first century. It has all the incentives described above to do so immediately. But it has not, and shows few signs of doing so, with the one significant exception of a program for large-scale oil storage in case of another OPEC oil production limitation. Better than nothing, but not enough.

Just when energy and Middle Eastern politics argue for close Saudi-U.S. relations, the U.S. Congress has made several moves which threaten to worsen them. They have been primarily with respect to arms sales to Saudi

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<sup>14</sup> Whatever may be the other advantages or disadvantages of divestiture of the major U.S. oil companies, it will hardly encourage them to invest in this fashion. For a useful introduction to the issues involved in divestiture, in debate form, see Francis X. Murray, ed., Divestiture: The Pros and Cons (Washington: Georgetown Center for Strategic and International Studies, mimeo., July 1976.)

Arabia and to the Arab economic boycott of Israel.

As to the arms sales, recently the U.S. Senate Foreign Relations Committee barely reversed its initial prohibition on the sale of anti-aircraft missiles to Saudi Arabia. (The Administration had managed to cut back the initial Saudi request.) Support for stopping the sale was generated by the U.S. pro-Israeli and anti-arms sales lobbies. The former was the more important. It argued that the sales would tip the balance against Israel. (It had used the same argument earlier, unsuccessfully, against similar sales to Jordan.) Israel probably also wanted to worsen Saudi-U.S. relations generally, lest the U.S. become more dependent on and influenced by them, to Israel's disadvantage.

The Arab boycott of Israel, a more complex question, has three aspects: primary--Arab refusal to trade with Israel; secondary--Arab refusal to trade with foreign companies who trade with Israel; and tertiary--Arab refusal to trade with companies who trade with companies who trade with Israel. In addition, allegedly in some instances the Arabs have refused to trade with some U.S. companies with Jewish ownership or employees. (The Arabs deny this, and in fact many U.S. companies with Jewish ownership or officers do trade in the Arab world.) Conversely, the Arabs exempt from the boycott many U.S. companies--airlines, hotel chains--who can therefore operate both in the Arab world and in Israel.

The last session of Congress passed a bill, sponsored by Senator Ribicoff (D., Conn.) which required the publication of the names of all U.S. firms who comply with the Arab boycott and which deprived them of U.S. tax credits

for taxes they pay to Arab countries. It adjourned without taking action on another bill sponsored by Reps. Rosenthal and Bingham (both D., N.Y.) which added other, more severe penalties, including criminal ones, and which will be reintroduced in the next Congress.

Opponents of this anti-boycott legislation argue, first, that the U.S. itself boycotts many nations (Cuba, North Korea, Vietnam), and cannot therefore take a stand in principle against an Arab boycott of a state, Israel, with which the Arab states are at war. Second, they say, the U.S. should not interfere in the internal affairs of other states for the benefit of a third state. Third, they insist that the belief of the proponents of the anti-boycott legislation, that it would stop the boycott, is unfounded. (Only an Arab-Israeli peace settlement would do that.) Rather, they argue its only result would be that the Arabs, and notably the Saudis, would shift their orders to Western Europe and Japan. The U.S. would thereby lose massive amounts of exports (Saudi Arabia plans to import up to \$60 billion from the U.S. in the next five years) and its opportunity to influence the Arabs toward moderation, something which the other OECD nations neither could nor would try to do.

Of these arguments, the first is clearly valid and the second is disputed. The third, in my view, is both true and decisive. It is one thing for the U.S. to lose massive amounts of Arab export orders if the boycott could thereby be ended. It is another to lose them and have the Arabs simply switch their orders to Western Europe and Japan and continue the boycott. The U.S. cannot end the boycott. Indeed, the belief that it can is one example,

conscious or not, of U.S. great power chauvinism. One can see why such a development might well be in Israel's interests, since it would greatly worsen U.S.-Arab relations, but it is difficult to see why it would be in the U.S. interest as well.

#### Conclusions

The Arabs have recently seemed more divided and therefore weaker. Yet they are already showing signs of regrouping their forces. Their financial resources and their consequent arms buildup will continue to grow. So, therefore, will their hostility to Israel and their determination sooner or later to expel it from the occupied territories if necessary by force. In the short run Israel profits from Arab disunity but becomes ever more dependent on U.S. arms aid and budgetary support. Indeed, the key Israeli foreign policy problem has now become if, and how long, the U.S. will give Israel as much arms and budgetary support as the Saudis and Kuwaitis will give the Arab confrontation states. The United States profits in the short run from the likely postponement of another Arab-Israeli war. Yet because the war, although postponed, is in the end the more likely, because the U.S. is daily becoming more dependent on imports of Arab (especially Saudi) oil and shows no signs of soon escaping from this addiction, and because the U.S. Congress has been harassing the Saudis, the dangers for U.S. foreign policy and for the U.S. domestic economy continue to increase.

The Soviets can hope, with some reason, that renewed Arab radicalization and another Arab-Israeli war may help them to recoup some of their losses in the Middle East. (They can also hope, with more probability of success, to compensate for these losses by gains in Southern Africa, which is, however,

strategically less important than the Middle East for Moscow and Washington.) Finally, the Soviets can hope that Turkish-Greek hostility<sup>15</sup> and U.S. blunders may result in Turkey ending the U.S. military presence there and even leaving NATO and reverting to its World War II policy of neutrality. At least the former, if not the latter, is likely if the U.S. Congress does not ratify the Turkish aid agreement.

#### U.S. Policy

What Washington should do is clear, in my view, but it is not likely to do it. The U.S. should immediately start massive investment in Project Independence in order to reduce its dependency on OAPEC oil imports. The U.S. Congress should cease harassing the Saudis in order to help persuade Riyadh to produce more to meet rising U.S. oil needs and to limit oil price increases. (It should limit anti-boycott legislation to the issue of U.S. citizens of Jewish extraction.) In order to avoid another Arab-Israeli war, keep the Soviets from returning to the Middle East, and prevent another OAPEC oil production limitation, the U.S. should announce its own plan for an overall Arab-Israeli settlement. This plan should include a staged Israeli withdrawal to the 1967 boundaries; Arab, U.N. and U.S. guarantees of Israeli security within them; and U.N. and U.S. forces to guarantee them. No other

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<sup>15</sup>For background, see P.J. Vatikiotis, Greece: A Political Essay. The Washington Papers, no. 22 (Beverly Hills and London: Sage, 1974); Andrew Mango, Turkey: A Delicately Poised Ally. The Washington Papers, no. 28 (Beverly Hills and London: Sage, 1975); Talat S. Halman, "Turkey: Problems and Prospects," in Udovitch, The Middle East: Oil, Conflict, and Hope, pp. 507-542.



settlement, in my view, is possible. Washington should then convene the Geneva Conference and impose such a settlement. The Arab confrontation states would probably accept this plan rather than face the prospect of indefinite Israeli occupation of their territories. Israel is now so dependent on U.S. arms and credits that Washington could, if it wanted, compel Israeli acceptance as well--as Eisenhower did in 1957.

But for domestic political reasons and because of the declining sense of urgency the United States is in my view not likely to do any of these. Rather, it will complacently enjoy the time that it has gained. But for how long? Santayana was right: "Those who do not learn from history are condemned to repeat it."