

sidize the Palestinian state, like Jordan was created and subsidized by Great Britain after World War I. The USA will subsidize and create a Palestinian state, in alliance with Jordan, if this is the only acceptable way. And if the U.S. really wants to set up something on its own two legs that is conscious of its responsibility then we will offer financial aid for an unlimited amount of time. We will also offer guarantees of security for such a Palestinian state on the one hand, and on the other hand, guarantee that such a state will not become a threat to its neighbors, nor become a nucleus for communist subversion and revolution.

As a result of the studies I made during my trip, I have the strong impression that the USA does not have the right insight for what would be logical and rational.

## Arabs Willing To Sign Treaty With Israel

*A report of Arab willingness to sign peace treaties with Israel, as reported in the New York Times by Bernard Gwertzman Aug. 21, was most interestingly greeted by the Israelis in two divergent ways, as reflected in the following Radio Israel report and the contradictory statements made by Israeli U.N. Ambassador Chaim Herzog, who is known to have close ties to the U.S. National Security Council. Below is Gwertzman's report:*

Egypt, Syria, and Jordan have informed the United States that they would sign peace treaties with Israel as part of an overall Middle East settlement. In addition Egypt and Jordan said they would consider a further American proposal that they also take up diplomatic relations with Israel.

The intention of the three Arab countries was made known to Secretary of State Cyrus R. Vance during his recent mission to the Middle East....

According to Administration and diplomatic sources, Mr. Vance, during his 11-day trip to the Middle East earlier this month, offered both sides several options and proposals for overcoming obstacles to a Middle East conference at Geneva and for the principles to govern such a conference....

The Arab leaders, in their talks with Mr. Vance, did not accept any option. They repeated with varying intensity that the Palestine Liberation Organization should be invited to Geneva.

## Radio Israel Welcomes Reports Of Arab Peace Overtures to Israel

Radio Israel ran the following commentary on Aug. 21:

Israel has reason to believe that the Arabs will present negotiating proposals on their readiness to sign peace agreements with Israel. This is what a foreign ministry source said, reacting to the *New York Times* report that Egypt, Syria, and Jordan told Vance that they were willing to sign peace treaties with Israel as part of an overall settlement. The Foreign Ministry source said

that Israel had no idea what kind of proposals the Arabs would make, but he was hopeful that they would be genuine peace proposals.

## Arab Signal to U.S. Belittled by Israel

*Israeli Ambassador Chaim Herzog, a former head of Israeli intelligence, violently derided reported Arab peace overtures to Israel in a speech in New York Aug. 21. The New York Times ran the following account of Herzog's address:*

Israel's chief delegate to the United Nations, Chaim Herzog, suggested yesterday that it was merely "for Western consumption" if Egypt, Syria, and Jordan signaled to Washington a willingness to sign peace treaties with Israel as part of an overall settlement....

"How on earth can one imagine that they are serious about this," Mr. Herzog said, "if they do not even want to sit down in one room and talk."

"Israel," he declared, continues to face "unbridled terror backed by unlimited wealth."

...Mr. Herzog strongly rejected what he described as a barrage of tendentious reports in Western news outlets suggesting that the Arab governments and the Palestine Liberation Organization were modifying their positions....

Mr. Herzog declared that Washington officials "delude themselves" if they believe a settlement of the Arab-Israeli conflict would bring peace to the region. He cited past and present armed clashes involving Arab nations and said that the "really peaceful borders in the Middle East today are those between Israel and her neighbors."

## USSR Steps Up Pace Of Middle East Diplomacy

In the wake of Cyrus Vance's collapsed shuttle diplomacy efforts to blackmail both Arabs and Israelis into supporting U.S. Middle East policy — which managed to alienate both sides from the U.S. — the Soviet Union has intensified the pace of its diplomatic contact work in the Middle East. According to *Radio Israel*, the Soviet foreign ministry this week established a special bureau for Middle East peace to coordinate the USSR's overall approach toward the area including relations with Western Europe and the United States vis-a-vis the Middle East.

The following is a partial listing of Soviet and allied contacts with the Middle East countries this week.

- Israel: Prime Minister Begin arrives in Rumania on Aug. 25
- Iran: The Shah of Iran visits Poland and Czechoslovakia to discuss oil shipments, credits and industrial cooperation, Aug. 22-28.
- Jordan: Soviet Chief of Staff Ogarkov invited a Jordanian military delegation to visit Moscow.
- Palestine: PLO Chairman Yasser Arafat is scheduled to visit Moscow on Aug. 29. Previously, Arafat received three messages from the Soviet