

From the Office of
Senator Hubert H. Humphrey
140 Senate Office Building
Washington 25, D.C.
National 8-3120, Ext. 881

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SENATOR HUMPHREY PROPOSES MIDDLE EAST DEVELOPMENT AUTHORITY

Senator Hubert H. Humphrey (D., Minn.) last night advocated the establishment of a Middle East Development Authority "as a dramatic effort to break the accumulated log-jam of frustration and bitterness in the Middle East." The Minnesota legislator, a member both of the Senate Foreign Relations Committee and of the U.S. delegation to the United Nations General Assembly, outlined his detailed proposal in a major address in New York City before the Fourth Annual Dinner of the American-Israel Chamber of Commerce and Industry.

"No where on earth can a better case be made than in the Middle East for a regional approach to the basic necessity for economic development," Senator Humphrey declared. "Most if not all of the vexing, complicated tensions of the area are involved with, and partly dependent upon, present economic conditions and future economic prospects in the area."

"A Middle East Development Authority (MEDA), representative of all the states in the region as well as of other states furnishing capital and technical assistance, could be a decisive new element in the whole situation," Humphrey continued. "Such an authority could be the catalytic agent which is now so desperately needed to precipitate solutions for a host of other Middle East problems."

In connection with the establishment of MEDA, the Senator said, consideration should be given to the permanent internationalization of a zone consisting of the Gaza Strip, a narrow strip of Egyptian Sinai running down the frontier to the Gulf of Aqaba south of Elat, plus the island of Tiran at the mouth of the Gulf. This area would be available for the passage of oil pipelines, air and land traffic -- and, in fact, all international communications agreeable to the U.N. "Even on its own merits", Humphrey said, such a strip would form a buffer zone making it possible for both Egypt and Israel to reduce their military expenditures. Unlike most international transfers of land, it would displace no settled nationals of any country. Operating in conjunction with MEDA, the project could indeed give employment to many of the 200,000 Arab refugees in the Gaza Strip."

Senator Humphrey recognized that Egypt and Israel might not find this proposal acceptable at first, but stressed its advantages to both. As one bargaining point in negotiations, Humphrey suggested consideration of an internationally administered and guaranteed corridor across the Negev would provide land communications between Egypt and Jordan. "Such a corridor", the Senator said, "could be used as a quid pro quo, both for an additional international corridor across the Sinai peninsula and for Arab guarantees of free Israeli passage through the Straits of Tiran and the Suez Canal."

MEDA itself, in the Senator's view, would be a "kind of hybrid between the World Bank and the TVA. It could undertake projects itself. It could lend money to either private or public agencies. It could participate in equity financing, in the manner of the International Finance Corporation. It could manage projects. It could carry on scientific research (in such matters as soil fertility). It could

make basic engineering surveys and contribute to the drawing up of overall regional development plans. Furthermore, it could carry on long-term technical assistance."

The advantages of such an authority would be self-evident, the Senator said.

As examples he listed:

1. MEDA would divert the attention of Arab leaders from military adventures to internal economic development. Turning Arab energies into constructive channels would eventually lead to institutional and social changes, such as the growth of a middle class, which would have a beneficial and stabilizing influence.

2. MEDA would provide a means of channeling Arab oil revenue into productive uses which would benefit the entire area, thus utilizing part of the presently existing hard money resources of the Middle East for the financing of regional development.

3. MEDA would be an international entity with which the states of the area could carry on bi-lateral negotiations and bi-lateral economic agreements. At present, Humphrey declared, it would be fanciful to expect Israel and Egypt to agree with each other. But they might agree separately with someone else.

4. MEDA would ultimately provide a solution to the whole Palestine-Arab refugee problem. "This problem is supposed to be dealt with by the UN Relief and Works Agency, but UNRWA's activities have been limited almost solely to relief. The only long-term solution for the refugees is basic economic development, which will make it possible for the area to support more people at a higher standard of living."

5. MEDA might provide the hope heretofore lacking for the acceptance of the Jordan River plan. MEDA itself could manage the project. This would also have advantages because an international agency would be less suspect of giving one side or the other more or less than its fair share of irrigation water or of power.

6. MEDA could give technical assistance and supervised farm credit to farmers settling on new lands coming into production from the development of the Jordan, the Litani, the Euphrates, or the Nile.

Senator Humphrey warned of the serious practical problems involved in the management and financing of MEDA. Care would have to be taken, he said, that MEDA did not become an instrument for "furthering the Arab economic boycott of Israel. Nevertheless we must get across to everyone in the Middle East that it is in the interests of all concerned to move from intra-regional feuding to intra-regional development."



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