

an Arab threat to pull their multi-billion dollar deposits out of the New York banks — but added that Brzezinski and Vance were planning to threaten the Saudis with an Israeli war strike should they pursue that course!

To counter the powerful effects of the Arab and Soviet peace initiative, the Carter regime has developed a tactic whose sole purpose is to set up the Arabs for an Israeli blitzkrieg á la 1967, according to the “breakaway ally” mode developed by the Rand Corporation. That tactic is Carter’s silly call for a “Palestinian homeland.”

The policy, first pronounced several weeks ago by Carter in a Washington press conference, was reiterated in Geneva after a meeting between Carter and Syrian President Hafez Assad. Said Carter, the U.S. favors “a resolution of the Palestinian problem and a homeland for the Palestinians.”

In the Middle East, and among all informed observers, it is well known that what Carter means by a “homeland” is exactly the opposite of an “independent Palestinian state,” demanded by the Arabs. Carter’s proposal, as developed by the Brookings Institution, would create a puppet state — like South Africa’s bantustans — on the West Bank, under direct Israeli-Jordanian military control. The PLO would be excluded from such a state, which under the Carter plan would be administered by the feudal leadership of the West Bank’s sheikhs and mukhtars and selected “camp police” from the non-PLO community.

That policy requires the physical and political extermination of the PLO in the region, an eventuality which is wholly unacceptable to the vast majority of the Arab world. Carter intends, in the coming weeks, to hand the Arabs an ultimatum: either accept the U.S.-dictated solution, including the destruction of the PLO or prepare for war.

#### *Arab Options*

At this point, there are only three options open to the Arabs.

*First*, the Arabs can capitulate to the U.S. dictate and fall to Vance’s armtwisting. This would involve the

Arabs’ rejection of the Geneva Conference (favored by the USSR) and their acceptance of a U.S.-sponsored “settlement” between Israel and Jordan *excluding the PLO*. However, such a move by Egypt, Syria and Jordan would incur the wrath of the Arab left — including Iraq, Libya, and Algeria — and, overwhelmingly, the Arab population. So far, there is no sign that they will buckle.

*Second*, the Arabs can go to war. This is not an unlikely possibility. Already, Saudi Arabia, Egypt and Syria have threatened to launch another round of warfare if the peace process is stalled. Prince Fahd, in his statement yesterday, said, ominously, that unless there is peace, “disturbances and tensions” will result, with the crisis “making one willing to resort to a military solution to solve the simplest of problems.”

As a warning, Egypt this week staged the biggest war maneuvers since the 1973 war in the Sinai peninsula. President Anwar Sadat personally watched over the war games, and said that the Arabs would go to war if need be to regain their rights. Assad said the same after his meeting with Carter in Geneva May 9.

But an Arab military option is foolhardy, since the well-armed Israelis are waiting to launch a lightning preemptive strike the moment the sign of an Arab buildup emerges — including attacks on Saudi Arabia and possibly Iraq and Libya.

*Third*, the Arabs can bust the New York banks and form an alliance with Western Europe’s anti-Atlanticists. This option, the Euro-Arab trade and development option, is a real possibility only if the Europeans act forcefully to back up the Arab-Soviet peace initiatives and with enough guts to challenge Rockefeller and Co. The withdrawal of Arab funds from New York would promptly dismantle the political control of Lower Manhattan over the U.S. Cabinet and NSC and giving impetus to the Cartergating process already begun.

A hint of this possibility was raised with the report that Assad, after seeing Carter, held a series of closed meetings with Swiss bankers in Zurich.

## Carter Calls For ‘Special Relationship’ With Israel

In a May 13 editorial from Washington, *New York Times* columnist James Reston defines the Carter policy for the Mideast as “the policy of confusion,” a “masterpiece of imprecision” in which “nobody quite knows what it means, and everybody is vaguely suspicious.” While Carter “may be right” in such a policy, Reston suggests, a great deal of unclarity could be done away with if Carter followed the suggestions of the U.S. Congress’ pro-Israel bloc and committed the U.S. “by treaty to the defense of Israel within its pre-1967 boundaries.”

Following the spirit of Reston’s advice, the Carter Administration this week showed definite signs of shifting from its “breakaway ally” tactic with Israel and replacing it with a straightforward “special relation-

ship” extremely provocative to Arab nations. Meanwhile, enough confusion has been sown to maintain the “breakaway” mode intact, bringing the Israelis closer to a preemptive strike posture.

In response to strident appeals from U.S. Senators Case, Jackson, and Humphrey, Jimmy Carter twice on May 12, once in a closed door special session and again in a news conference, committed the U.S. to give Israel “special treatment” in regard to purchasing and acquiring super-sophisticated weaponry. In a letter to U.S. Congressmen, Carter affirmed that “it goes without saying that the U.S. will do everything necessary to ensure Israel’s security,” including giving “particular consideration ... to our military arms and coproduction arrangements with Israel.” Carter’s statement put

Israel on an equal status with the U.S.' NATO partners; the Israeli embassy in Washington declared that it was "very satisfied" by the President's remarks.

Emerging from discussions with Israel's Foreign Minister Yigal Allon May 11, U.S. Secretary of State Cyrus Vance had expressed identical sentiments. "We have a special relationship with Israel. We are committed to the security of Israel and we will make sure that Israel has the defense material to protect that security — including the advanced technology required."

Allon had rushed to the Vance meeting panicked that the U.S. was abandoning Israel because of weekend press reports from Washington that the U.S. had removed Israel from the "most favored" arms lists. After meeting with Vance, he declared, "We are satisfied." Allon claimed that he had been "given to understand" that the U.S. did not intend to "impose a solution" in the Mideast.

#### *Breakaway Still in Play*

Before Allon's visit, a state of near-panic existed in Israeli media over fears that the U.S. was undercutting Israel's security. The May 9 *Jerusalem Post* headlined

its lead story "U.S. Arms Plan Worries Israel," and reported that a high-level Israeli source — believed to be acting Premier Shimon Peres — had informed the Israeli Cabinet that Carter was jeopardizing an arms relationship "vital to Israel's security." Peres was cited warning that "experience shows that whenever the U.S. put forward its own proposals to solve the Mideast dispute, it entered into confrontation with either one side or both sides in the dispute." According to the *Baltimore Sun* May 12, Peres is preparing a "much tougher stance" toward the U.S. which will result in Israel dealing with the U.S. "on an equal basis." Some observers think this signifies increasing integration of Israel into NATO special operations structures.

The *Washington Post* May 12 noted that Israel's anxieties vis-a-vis the U.S. are "not altogether unfounded." On the same day, *New York Times* columnist Anthony Lewis asked "A Pre-Emptive Strike?" Lewis counterposed the "sincere" efforts of the Carter Administration to negotiate a Mideast settlement to efforts of the U.S. Israel Lobby, personified by Case, Humphrey, and Jackson, for a "preferred arms status" for Israel and a halt to U.S. attempts to "impose" an Arab-Israeli peace settlement.

## Persian Gulf States Seek Stronger Ties With Soviets

Intense diplomacy underway in the Persian Gulf is shifting the area closer to the Soviet Union. Iraq is the major regional force motivating the shift, with an eye to realizing the long-sought-after Persian Gulf Security Pact, a regional military agreement which will neutralize the area in keeping with the Non-aligned Movement's "zone of peace" initiative for the Indian Ocean. In addition the Soviets and the British are reportedly working behind the scenes for neutralization of the oil-rich Gulf, to wrest it from the domination of Rockefeller oil interests.

According to the authoritative London-based weekly *Arabia and the Gulf*, the United Arab Emirates' Foreign Minister Suweidi is pushing his Gulf brethren towards closer relations with the Soviet bloc, to establish "balanced relations" with both superpowers. Suweidi's actions are based on the premise that recognition of Iraq's role in the Gulf, accompanied by a pro-Soviet posture moderating traditional Saudi-dominated ultra-conservative foreign policy, will undercut radicalism in the area. This new orientation is picking up steam and has been acknowledged by Kuwait, according to a well informed Washington source, who claims that Kuwait has broken with the Saudis over the issue of closer Soviet relations. Kuwait last month signed its first arms agreement with the Soviets, amounting to \$300 million, and is in the process of negotiating further trade agreements with the Soviet Union and East Germany. A Soviet delegation arrived in Kuwait this week to discuss trade and, further, to mediate the long-standing Kuwait-Iraqi border dispute, whose settlement will finally open

the door to a normalization of relations between the two countries and markedly shift the correlation of forces in the Gulf in favor of Iraq.

At the end of April, a highpowered Iraqi delegation embarked on a lengthy tour of the Gulf states to discuss the question of regional security. The delegation's visit to Kuwait included negotiations on the border issue, which revolves around rights to a large oil reserve spanning both countries. In an interview with a Teheran newspaper, Iraqi Prime Minister Saddam Hussein indicated Iraq's willingness to resolve the conflict, saying that Iraq would be willing to come to the defense of Kuwait once relations were normalized. Kuwait's semi-official newspaper *As Siyassah* editorialized that an end to the border dispute would benefit the entire Persian Gulf.

Following the departure of the Iraqi delegation early this month, United Arab Emirates President Sheikh Zayed issued a public statement stressing the need for a Gulf Pact, but emphasized that it would take time to reach unanimity between the Gulf states on its content. There are still significant differences among the Gulf countries on the formula for such cooperation.

Most notable is the antagonism between Saudi Arabia and Iran. All of the Arabs states, and Iraq most vehemently, are suspicious of any formal arrangement which would increase Iran's already sizeable military presence in the Gulf. Last month both Iraq and Kuwait had top-level contact with Iran over this sensitive issue. For the first time since the March 1975 signing of the Iran-Iraq border agreement, Iraq has sent its top military brass to Teheran to confer with the Shah. The