

“geopolitically” isolated, and unavoidably committed to an early thermonuclear war. That Middle East crisis would be the “lesson” which educated the Politburo, and impelled the Soviet leadership toward a war-fighting commitment. Strategically, such a commitment would then be correct, because all alternatives to war had been eliminated.

To the extent that Secretary Brezhnev is prepared to play a Munich 1938 Neville Chamberlain to Mr. Carter’s Hitler, the March consolidation of the indicated terms of “SALT II” make World War III imminently inevitable. However, at the moment, such a development is not inevitable; if the CMEA proceeds aggressively to aid Western Europe and leading Arab and other developing-sector forces in consolidating a new, gold-based monetary system linked to the transferable ruble, such action would collapse Chase Manhattan Bank, and thus invalidate the premise of the Carter administration’s presently operational confrontationist policy.

This alternative, this actual road to world peace, is what the Brezhnev leadership is ostensibly incompetent to perceive. If it perceives such political alternatives, it lacks conviction in such matters under stress. Hence, either the Soviet Politburo quickly dumps the Arbatov-Bovin-Kuznetsov idiocies, or Western Europe takes independent preemptive initiative in the matter, or by March of this year the world will be poised on the brink of

an essentially unpreventable general war.

Those leading USA and other circles who choose to breathe a sigh of relief at the appearances of Politburo gutlessness and ignorance thus place themselves in the same category as those foolish English people who hailed Neville Chamberlain’s 1938 return from Munich.

Then, perhaps, the world is too cowardly and stupid, in respect of the present leading forces of most nations, to survive? Only the Labor Party and relatively few strategic co-thinkers in various leading circles inside and outside the USA show the combination of perception and firmness of will to get us out of the most hideous mess the human race has faced in its recorded history. We shall quickly discover what other forces have sufficient intelligence and courage to associate themselves openly with the U.S. Labor Party. If they do not, they show themselves inadequate in combinations of intelligence and will to survive.

Meanwhile, it should be no mystery why the Labor Committees developed necessarily at arm’s length from the ideology and influence of the Communist parties. The best Communists have amiable intentions, but lack, as organizations, the independent qualities of intelligence and will to cope effectively with the principal political and economic complexities of this present time. Such Communists’ ineptitude is the aggravating element in the growing war danger.

EXCLUSIVE

National Security Council Sets Up Task Force For Middle East War

Jimmy Carter’s National Security Council began drawing up plans this week to meet the European-Arab Dialogue with a political-military show of force by the United States, Israel, and Iran.

According to sources on Capitol Hill, a National Security Council (NSC) task force for a Middle East war is being assembled by White House energy czar James Schlesinger and NSC Director Zbigniew Brzezinski. The chief target of the NSC — whose membership is almost entirely composed of the Rockefeller family’s Trilateral Commission — is to disrupt, by threats and if necessary by force, the spreading array of trade and financial arrangements among Western Europe, the Arabs, and the socialist countries to dump the U.S. dollar. The centerpiece of these efforts is the pending nationalization of the giant Arabian-American Oil Company (Aramco) by the government of Saudi Arabia.

The takeover of Aramco by Saudi Arabia, an action which has drawn support from diverse political forces in Europe, Japan, and the United States, would free as much as 10 million barrels of oil per day to fuel world development. At present, that vast volume of oil production is under the tight control of the four Aramco partners — Exxon, Mobil, Texaco, and Socal. Should the

Saudis finalize the nationalization, a host of European state-owned oil firms, British and Japanese companies, and U.S. independent refining and marketing companies would have unrestricted access to Saudi crude oil. In addition, the *political* power wielded by the Rockefeller family and the New York banks through their control of Aramco production would be destroyed, and Exxon and its sisters virtually eliminated as a major factor in the world oil market.

According to sources on Capitol Hill, when Frank Zarb, then head of the Federal Energy Agency, toured the Middle East late last year, he became alarmed at the thought that the political control of Aramco’s vast oil resources would pass into Saudi hands. He recommended that the U.S. take action, but President Ford refused. Now, the source reported, the Carter regime — Schlesinger and Brzezinski — is planning to throw the entire muscle of the NSC and the State Department behind an effort to halt the nationalization.

Showdown In March?

According to the best estimates, the Carter Administration has set a four-week fuse on the Middle East powderkeg. Pentagon sources report that before leaving

office, former Defense Secretary Donald Rumsfeld warned that the incoming Carter team was planning to promote a major confrontation in the Middle East in early March. Moshe Dayan, the former Defense Minister of Israel and the leader of that country's warhawk faction, predicted on Feb. 10 in Memphis, Tennessee, that "within four weeks" the U.S. would launch a Middle East "initiative." Dayan was speaking after having held secret talks with both Brzezinski and Secretary of State Cyrus Vance, who is about to leave on a one-week tour of the Middle East Feb. 14.

The Vance trip, whose object is to reintroduce the warmongering "step-by-step" diplomacy of Henry Kissinger, is seeking to derail both the Geneva Peace Conference and calls by Western Europe, the Soviets, Egypt, and Saudi Arabia for an immediate overall peace settlement. If those forces acquiesce in the abandoning of the Geneva perspective and a return to step-by-step diplomacy — which would signal the establishment of near-total U.S. political and economic hegemony in the Middle East — then the likelihood of a war in the Middle East following Vance's return, in early March, will increase dramatically.

The explicit threat from the Carter Administration to Western Europe was delivered yesterday in Brussels by Israel's Foreign Minister Yigal Allon. The developing economic and political relations between Europe and the Arab world, said Allon, "might become a politically dangerous tool which would diminish, not enhance, the role of Europe in the Middle East." The *Washington Post* had the following comments on Allon's remarks:

The United States and Israel have expressed concern that the European-Arab relationship, although limited to trade, financial, and technological cooperation, has begun to assume a political character that could affect prospects for an overall peace settlement in the Middle East.

The United States has exerted diplomatic pressure to block a Common Market proposal endorsing an "urgent" return to the Geneva peace conference when Common Market political directors met in London on Jan. 31.

Allon's remarks were meant to threaten the opening of the Euro-Arab Dialogue meeting today in Tunis, Tunisia, where the representatives of the Arab League planned to demand that Western Europe adopt a strong stand on the need for a political resolution of the Middle East crisis.

Blueprints For War

From the Carter side there is no lack of battle plans. The most recently issued is entitled *The Geopolitics of Energy*, presented by Senator Henry Jackson's Interior Committee in January 1977. The Jackson report urges that the question of U.S. energy policy and dependence on oil imports be made "a high priority item in national security considerations," despite the fact that the U.S., in its struggle to control world oil resources, "may actually find itself pitted against traditional allies." The study, which will form the strategic basis of the Carter regime's Department of Energy under Czar Schlesinger, minces no words when discussing the Soviet threat to Middle East petroleum reserves: "The USSR may have judged

that its effort to disrupt oil arrangements with the West could provoke a response from the United States which, in time of crisis, might lead to general war." Jackson cites the Soviet technical aid to Iraq after that country nationalized its oil in 1972 as an example of such USSR-instigated "disruption of oil supply to the West."

The threat of general war is also raised directly by the Rockefeller-controlled International Energy Agency (IEA) in a report issued last week in Paris. The IEA, a supranational Trilateral institution created by Henry Kissinger at the height of the Great Oil Hoax of 1973-74, warned that the "dangers of Western reliance on OPEC are not primarily economic, but political," according to the *Wall Street Journal*, and predicted a scenario in which the U.S. and USSR "could be drawn into a confrontation in the Middle East."

In the Senate, Edward Kennedy is the prime architect of schemes to confront the OPEC countries. But in a recent report, Kennedy, like Jackson, note with alarm that the only workable strategy is one in which the U.S. confronts OPEC in combination with its allies in Western Europe and Japan; he urges a "common front among oil-consuming countries" under the IEA to use economic warfare and blackmail against OPEC. In a recent interview, the staff author of the Kennedy report said bluntly, "If OPEC were to do something along the lines of disrupting oil supplies to our allies, we couldn't sit idly by. A hostile act in any area of the world could lead to war."

Bypassing The Seven Sisters

U.S. threats and blackmail — including reported assassination attempts against Italy's Prime Minister Andreotti, French President Giscard d'Estaing and West German Chancellor Schmidt this week — are apparently intended to ensure that the Europeans will continue their fatal hesitation to take an independent policy stance against the U.S. for a Middle East peace. Last week, the actions of the European Economic Community held back from endorsing a resolution for a Geneva Peace Conference until after Vance's trip to the Middle East. U.S. strong arm tactics have failed however to disrupt the ongoing European-Arab *economic* dialogue which is set to meet again this week in Tunisia. There are indications in fact that Western Europe is being joined by Japan and by key independent oil consortia from the United States itself to destroy Exxon's monopoly in Saudi Arabia.

This week alone, top-level delegations from Italy's state-owned oil firm ENI and from the Japanese Ministry of Trade and Industry are in Saudi Arabia to secure oil supplies outside the framework of Exxon and Aramco. Michel d'Ornano, the French Industry Minister, urged his country to seek increased trade with Saudi Arabia via the national oil companies CFP and Elf; and the giant Italian state industrial complex Montedison — controlled by Eugenio Cefis — secured a contract for a "substantial" part of Saudi oil output through Aramco partner Socal, on Saudi orders. A high-ranking West German delegation, led by Foreign Minister Genscher and a team of two dozen businessmen, is now touring the Middle East.

There are, in addition, several discussions underway between Saudi Arabia, key U.S. independent oil companies, and European and Greek middlemen concerning the supply of vast quantities of Saudi oil to the U.S.

Senate Ctte Staffer: Schlesinger - Vance Will Control U.S. Foreign Energy Policy

The following interview is with a staff member of the U.S. Senate Foreign Economic Policy Committee, formerly known as the Church Committee on Multinationals.

Q: What is the status of your probing on the Aramco Saudi nationalization talks?

A: Late last year our subcommittee attempted to get specifics from the State Department on these talks, and we were told that State considered them to be a private matter between the companies and the Saudi government. No information was made public. Then the Federal Energy Administration (FEA) put out regulations calling for fairly detailed, specific information on what the negotiations were about but stopping short of asking for prospective information. Now, with the new Administration in Washington, prospective information will be requested, since both Schlesinger (Special Assistant to the President -ed) and FEA head O'Leary are committed to asking for this.

Aramco Official Lies About Saudi Policy

The excerpts below are from an interview with an Aramco official in Washington, D.C.

Q: What do you make of Saudi Arabia's efforts to consolidate a "pairing arrangements" sales strategy of direct deals with European companies rather than going through Aramco?

A: It's not true. We've contacted two or three of the designated companies and got denials from them. Even *Platt's Oilgram* magazine backs this up. A recent issue quotes the governor of the state-owned oil company Petromin who denies the existence of pairing arrangements. This proves that the Saudis don't want to dictate buyers to Aramco.

Here is what *Platt's Oilgram* had to say:

Q: An Aramco official has just denied that pairing arrangements have taken place and cites your journal as providing evidence to this effect.

A: I am surprised! The article the Aramco official cited was in a back issue. Two issues later we published a story retracting the Petromin governor's statement. I'm surprised that the Aramco official didn't cite the later story. These days I guess the folks at Aramco are a little nervous. It is very much Saudi Arabia's and Yamani's policy to go through the pairing. The Saudis want to keep the thing as quiet as possible.

Q: Do you foresee tighter National Security Council control or regulation of these talks?

A: I would say yes, the NSC will take more and more of a role. You can't get away from this idea. It will depend on Schlesinger exactly how it will happen. Either the NSC will coordinate for the State, Treasury, and FEA, or Schlesinger will coordinate; it depends on him. There are two things involved here. One is that the U.S. doesn't have any comprehensive energy policy. Two is that the U.S. companies have more of an interest in maintaining access than they do on price.

Q: What will become of the oil companies themselves if what you are describing takes place?

A: The oil companies will become more and more technical middle-men. They'll move the oil from one place to another. I see, and I have recommended, movement toward a Federal Purchasing Agency. Church (Sen. Frank Church, Idaho) himself recommended this a couple of years ago. This government will finally start making decisions affecting the national security of the country on the energy question.

Q: All this will have a dramatic effect on the Saudis, especially if we assume that they are drawing close to good terms with Aramco, as you imply.

A: Well, the Saudis have made a decision to go for a lower price, and they've been bending OPEC toward this. U.S. policy up till now has not been helping them. If the U.S. had a consistent energy policy, it could encourage low prices and higher production. At least, on some kind of experimental basis if need be, there should be some purchasing authority to develop stockpiles.

Q: Are you talking about some kind of sealed bid system?

A: Most sealed bid systems don't have a purchasing power attached to them but it's a possibility, there are many kinds of sealed bids.

Q: How are the oil companies reacting to the increasing NSC-Schlesinger regulation and control of energy policy?

The Oil Lobby

A: The oil companies have expressed unanimous comments on FEA legislation. They're all anti-divestiture. And they've had massive advertising campaigns to prove "we're good guys." Mobil sponsors one thing, another oil company sponsors a concert, that's how it goes. This has gone on since 1973, a general advertising campaign to improve their public image. They're saying, "We know the oil business and we should run it for you." They're giving their lobby institution, the American Petroleum Institute, unlimited money to battle the threat of horizontal divestiture that Carter has supported.

Q: Might not everything you are saying lead to a U.S.-Saudi showdown, given that the Saudis were getting good terms from Aramco?

A: There should be face-to-face negotiations between the Saudi and U.S. governments on how this will work. Zarb (Frank Zarb, former FEA head -ed) was distressed during his Mideast trip last year at the particular con-

ditions the Saudis were working out. He was concerned at what in essence the Saudis would require on downstream operations, and that's why he issued regulations.

Q: So to sum up, you see much tighter NSC control over foreign energy policy and negotiations?

A: To be exact, it may not be the NSC itself. It's possible Schlesinger himself will be in control. I would estimate that it could come down to a battle between Schlesinger and Blumenthal (Michael Blumenthal, Secretary of the Treasury -ed). In this battle Schlesinger would win out, and there would be a Schlesinger-Vance (Cyrus Vance, Secretary of State -ed) coalition on energy questions.

Q: I still think what you are saying is provocative and could lead to a Mideast confrontation of one sort or another....

A: Confrontation in the Mideast? Sure. There's lots of concern over that. Take Iran. The Shah is getting more and more unhappy with the situation every day. Things are getting a little tense.

Foreign Policy Staffer:

'Saudis Could Have a Change in Regime'

The following is an interview with a professor at Tufts University's Fletcher School of Law and Diplomacy, a former aide to Senator Hubert Humphrey.

Q: What is the likelihood of a military move by Iran against Saudi Arabia?

A: Iran needs revenues, and this has caused stress on the regime and could therefore force the Shah to make a move, perhaps against the Saudis. The need for revenues also poses domestic problems for the Shah. He can't afford to cut back on military spending since that may not go down so well with the military.

Q: How solid is the situation inside Saudi Arabia? There is much evidence of a deep rift between pro-U.S. Prince Fahd and King Khalid, who is not adverse to expanding

links to the Soviet Union.

A: Saudi Arabia could have a change in regime...Saudi Arabia could become vulnerable to outside forces....Iraq and the Soviet Union could play around there, perhaps leading to a change of government. It is in the interest of Saudi Arabia to ally itself with Iran to meet this threat.

Q: What would the U.S. do in the case of such an unlikely occurrence as the Soviets actually invading the Persian Gulf?

A: The important issue is what would Europe and Japan do. The Soviets would invade Saudi Arabia in order to take over the oil supplies there and sell the oil at a cheaper price to Europe and Japan. You can imagine that under these circumstances the French wouldn't call up the U.S. and ask them to invade the Gulf in retaliation. I don't think that the U.S. would go to war over the issue under these circumstances. I think you would see a deep split emerge between Europe, Japan, and the U.S. as a result of such a thing. When it comes to oil matters, the Europeans and Japanese are already growing closer to Saudi Arabia. There are many secondary oil companies that want closer relations with the Saudis, you know.

Q: You say that there is no likelihood of a U.S. military response in the event that the Soviets were to move into the Gulf, but what can the U.S. do to ensure that this does not happen?

A: The U.S. must respond by checking the Soviets on the ground. Iran represents the best deterrent. You see, the Soviets view Saudi Arabia as the jugular to the West; therefore, we must be very cautious. At some stage they might be tempted, and if we have abandoned the Philippines and Diego Garcia, then what kind of deterrent are we left with?

Q: What will the Saudi response be if the Carter Administration does not heed the Saudis vis-à-vis reconvening the Geneva peace talks, since the Saudis only went for a 5 percent increase as a means of inducing Carter to favor Geneva?

A: The Saudis will increase their oil production even though it is against their own economic interests and the increased production will be used for political purposes. Also, many lucrative contracts issued by the Saudis will go to European and Japanese firms instead of U.S. firms.

Will Iran Invade Saudi Arabia?

A possible invasion of Saudi Arabia by Iran backed by the Carter Administration has been openly tossed around Carter circles as a possible option to prevent the Saudis from breaking out from under Aramco's control and forging oil-for-technology arrangements with Europe and Japan. A professor at Fletcher School of Law and Diplomacy at Tufts University who is a former aide to Sen. Hubert Humphrey identified Iran's military might — an extension of NATO's military apparatus — as the No. 1 "deterrent" against the Saudis.

The Shah of Iran may be pressured into carrying out

Carter's military option against Saudi Arabia by growing internal economic difficulties and social unrest, offered a spokesman connected to the Council of Foreign Relations. In January, Iranian oil production fell sharply, exacerbating the economic difficulties of the Shah, who has strongly opposed the Saudi-led drive to keep oil prices down and raise production.

Then this week the *Sunday Times of London* gave splashy play to a new book by Paul Erdman entitled *Crash of 1979*. The author lays out a situation closely paralleling the current monetary crisis — but projected