

The choices for Reagan in the Persian Gulf

by Robert Dreyfuss

Ronald Reagan, whose foreign policy apparatus is still only half assembled, is facing imminent choices over policy toward the Persian Gulf and the war between Iran and Iraq. Within the next few weeks, he will get strong, if conflicting, advice from two European visitors to Washington: British Prime Minister Margaret Thatcher and West German Chancellor Helmut Schmidt.

First, the British. Thatcher and Foreign Secretary Lord Carrington will arrive in the United States on Feb. 25. Concerning the Gulf crisis, they will present the following package: the Reagan administration, Thatcher will urge, should follow the British lead in lending strategic and other support to the beleaguered regime of the mullahs in Iran, to strengthen what London calls the "geopolitical" alliance between Teheran and the West. Second, the British will propose that Great Britain and the United States commit themselves to covert action to undermine the Iraqi government of President Saddam Hussein.

Second, the Germans. Schmidt, who has sharp disagreements with fellow Social Democrat Willy Brandt since the latter is a supporter of Ayatollah Khomeini, will suggest an entirely different package concerning the Iran-Iraq war to President Reagan. Specifically, the Schmidt team will propose strengthened ties between the United States and the Arab countries of the Gulf, including Iraq and Saudi Arabia; both countries have recently received substantial supplies of weapons from West Germany and France. Then, Schmidt will propose a diplomatic strategy aimed at toppling the Khomeini regime. That strategy, sources say, is based on a West German belief that a generalized U.S.-Soviet accord on Iran and

Afghanistan, calculated to strengthen the stability of the Persian Gulf region, is the key to a large-scale expansion of trade with the Gulf states and the Soviet Union in triangular fashion.

The British have an ace in the hole: Secretary of State Alexander Haig is working for them.

Britain on Iran-Iraq

The British strategy toward the Persian Gulf is twofold.

According to Washington intelligence sources, the British intelligence service has already begun to spread rumors that the government of Iraqi President Saddam Hussein will fall sometime during 1981. In quiet conversations and diplomatic contacts, these sources say, London is telling Washington that the Iraqi leader is unstable. At the highest levels of the administration bureaucracy, there is skepticism about the British thesis. But already, British operative Joseph Malone and others are making initial subversive efforts in Iraq (see below).

The key to the British strategy toward Iraq is meanwhile their deliberate policy of giving aid and comfort to the unstable Iranian regime.

With the release of the American hostages by the mullahs, relations between Great Britain and Iran are on the upswing. In an interview with the London *Times*, President Abolhassan Bani-Sadr said that, in his view, Anglican Church missionaries still held hostage by Iran were "not spies," and that they would be set free soon. Then, Bani-Sadr urged London to give Iran military equipment for its war with Iraq.

The first sign of that policy surfaced with the report

in the London *Daily Telegraph* that the British have given export licenses to the Interarmco Corporation, a notorious British SIS arms dealer headed by Samuel Cummings, to sell 50,000 G-3 rifles to Iran.

More broadly, with the official removal of the Western economic boycott against Iran, Great Britain has moved quickly to establish itself as the primary economic partner of the Iranians. The British Petroleum group, for instance, signed a contract to buy 175,000 barrels of Iranian oil per day, and many other contracts are expected to follow. The British press is trumpeting the opportunities of renewed trade with Iran.

Underlining the significance of the trade, the London *Financial Times* said that Iran will receive an estimated \$1.6 billion per month in oil revenues, more than enough to sustain its economy and its military strategy.

From Iran itself, the intention to topple the Iraqi government is quite clear. Not only did Bani-Sadr say so directly, but an editorial in the Iranian daily *Kayhan* rhapsodized about exporting the Iranian Islamic revolution: "The Islamic revolution cannot be confined within Iran," said *Kayhan*, adding that the people of Iran desire "better exportation" of fundamentalist Islam.

Franco-German countermoves

Demonstrating the sharpest divergence between the British strategy and that of the continental European Franco-German alliance, France recently approved the delivery to Iraq of the first four Mirage F-1 fighter jets, part of a package of some 60 F-1s Iraq has ordered. West Germany, meanwhile, has launched an unprecedented deal with Saudi Arabia on tanks and other arms.

France and West Germany's support for the Iraqi side of the conflict has angered some officials in Washington, who see it as a sellout to the Arabs and the Soviet Union—although the White House does not share that dim view of their policy.

"Hell, no, I don't agree with their policy," said Steve Bryen, close to Anglo-Zionist circles in Washington. "I think that kind of accommodation is dangerous.

"There are very different views between Europe and the United States over how to resolve the security issue for the Gulf and the Indian Ocean. The U.S. says it's a military question, the Europeans say no, it is a diplomatic and political question," said Bryen. "Europe is thinking more along the lines of accommodation, working out some kind of arrangement along the lines of what Brezhnev called for in the Gulf. These are practical arrangements, designed to avoid confrontation in the Middle East.

"I think the key element in this is the East-West deal for Siberian gas. And of course this pivots around Iran. Unlike a lot of people here, I think Iran needs a lot of

watching. Before the Shah fell, the Russians and Europe had worked out a vast set of agreements resting on the massive gas swap deal involving Iranian gas to the U.S.S.R. and Siberian gas going to Western Europe. When the Shah fell, it destroyed the arrangement. The Russians lost the gas they needed for southern Russia. They still want that gas very badly. You can see why the Soviets and the Europeans would have a joint interest in stabilizing Iran."

This is the package Chancellor Schmidt will propose to Reagan in mid-March in Washington. France and West Germany have already established preliminary contact with Saudi Arabia to line up support for the deal in the Arab and Islamic world. And Iranian exiles, many of them former military officers under the Shah, are getting ready in case the Khomeini regime should collapse.

Efforts under way to subvert Baghdad

According to high-level Washington intelligence sources, the British Special Intelligence Services has just activated a plan to topple the Iraqi regime of President Saddam Hussein.

The British efforts are signaled by the dispatch of their asset Joseph Malone, who runs the London *Economist*-connected Middle East Research Associates consulting firm in Washington, to Baghdad for a several week stay. Malone, a former CENTO station chief in the eastern Mediterranean, was implicated in the 1975 assassination of Saudi Arabian King Faisal that was carried out by the international drug-trafficking cartel.

EIR investigations have uncovered the fact that the anti-Iraq conspiracy involves not only full collusion between Israeli intelligence and Iran, but operatives of the terrorist wing of the Socialist International. These operatives include Eqbal Ahmad, head of the terrorist-controlling, Amsterdam-based Transnational Institute, and Thomas Ricks, history professor at Georgetown University who was instrumental in installing Ayatollah Khomeini in power in Iran in 1979.

The Israeli intelligence role in the affair was indicated in a Feb. 4 piece in *Le Matin de Paris*, newspaper of the Socialist International in France. Entitled, "The Failure of Saddam Hussein in Iran," The article began by commenting: "The days of President Saddam Hussein at the head of the Iraqi regime are numbered, intelligence services estimate." *Le Matin* reports that the current edition of *Bamahane*, the official journal of the Israeli armed forces, has a feature outlining the ostensible "failures" of the Iraqi army in Iran.

Among such "failures" are probably fictional accounts conducted by think tanks in Jerusalem such as the following: "The rains have transformed the combat zones into immense mires and the Iranians, who are controlling the dams on the rivers, have even more effectively stuck the Iraqi tanks in place by inundating vast land expanses."

From the vantage point of such accounts, *Bamahane* insists, according to *Le Matin*, that "anger is growing in the ranks of the Iraqi army. The purges decided upon by Saddam Hussein against superior officers held responsible for the failure of the 'blitzkrieg' attempted against Iran last Sept. 22 have not prevented, but on the contrary increased, the discontent in the army command and as well as among certain leaders of the Baath Party. The military experience of the Iraqi president is more and more put into question, and he is being reproached for having, through political ambition, thrown his army into an 'adventure' very badly prepared." Additionally, *Matin* cites *Bamahane* as claiming Saddam Hussein is affected by "declining morale in the army."

Finally, the Israeli journal is reported as saying, "by the evidence, the war has plunged Iraq backward by several years on the military, economic, and even international plane. Saddam Hussein, it is estimated in Jerusalem, could soon pay a high price for it."

One day later, *Le Matin* reported a statement by Iranian President Abolhassan Bani-Sadr in which he nearly echoed the *Bamahane* analysis. After attacking France for its sale of arms to Iraq as a move designed to "assure the Arab market for itself," Bani-Sadr insisted that "the regime of Saddam Hussein, which inspires no trust among the other countries of the Gulf, is less stable than previously. If a change occurs in Baghdad, the chance for the future is lost for France."

Transnational's Eqbal Ahmad, a strong supporter of Bani-Sadr, elaborated during a recent discussion. "Saddam Hussein is finished," he stressed. "In two months, Saddam Hussein is going to launch a big military offensive against Iran—an offensive that will be his undoing. He may have eliminated the opposition in the communist party and outside the Baath, but where his weak spot is is from inside the Baath. It is a faction inside the Baath Party that is going to overthrow Saddam Hussein, and this will set off a long and bloody process of coups within coups."

Ricks echoed him during a recent private briefing at Georgetown. "There's trouble down the road for Hussein if his April offensive fails. The root of it will come from young officers, middle-level military personnel, who are tired of sacrificing for a losing war. An additional factor will be the old coalition of Kurds and the left. But the main problem will come from dissatisfaction in the military."

An insight into Malone's activities came from a source at the Washington consulting firm Melvin Conant

and Associates, on whose board of directors Malone sits. Days after Malone left for Baghdad, the source told a journalist: "A military victory for the Iraqis is impossible. Hussein is now in a corner, he will go through with the spring offensive and he will get caught. He isn't in the same position as Khomeini, who can tell his people to sacrifice for the revolution. Saddam cannot. If he loses that offensive people will start showing their discontent. He cannot afford to ask them to sacrifice anymore. Take a look at the underground in Khuzestan [in southwestern Iran]. There are [Iranian] National Front members there who are powerful, they link up with a National Front-style opposition in Iraq. If Hussein trounces Khuzestan, it could cost him a high price."

The Iranian National Front maintains very close ties to the Socialist International.

During a Feb. 11 tour of the Iranian army command posts in the southwestern border region near Iraq, Iranian Majlis (Parliament) Speaker Hashemi Rafsanjani launched a diatribe against various powers, East and West, who were threatening Iran's "revolution." In this diatribe, Rafsanjani threatened a full cutoff of Persian Gulf oil to the "materialistic" West. His speech was covered in the Feb. 12 Teheran Domestic Service. Excerpts from that account follow.

Referring to conspiracies between the various internal and external groups during the past two years to overthrow the revolution, [Rafsanjani] said that the United States and the Soviet Union and the reactionary elements in the region and inside the country, with the cooperation of internal capitalists and left-wing and right-wing extremist groups and all those who suffered as a result of the victory of the revolution, are constantly engaged in activities to weaken and destroy the revolution. Our nation must expose all the plots of the enemies with alertness and on the Imam's orders.

Referring to the bias of Western press agencies and their far-fetched predictions, the Majlis speaker said that we have been at war for five months. Remember the wars in Indochina, Vietnam, India, Pakistan, and the short, sharp wars between the Arabs and Israel, and see what problems and obstacles they were faced with. But today, after five months, if you were to visit those wounded in the war, 90 percent of them would request the continuation of the wars; with our morale, we will definitely win. . . .

Rafsanjani then referred to the activities of the superpowers and France regarding the military strengthening of Iraq. He said that their criteria are materialistic, but our basic argument is that the flow of free oil to the West will not continue in the South of the Persian Gulf for the next decade. They will learn that the revolution will cover an area from east of Iran to beyond Israel, Iraq, and Jordan.