

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

leadership in four days.

— Syria, Libya, Algeria: Soviet Chief of Staff Ogarkov tours these three countries, each the target of a U.S.-instigated threat: Algeria from Morocco, Libya from Egypt, and Syria (and Lebanon) from Israel.

In addition, the Lebanese press reported that Premier Brezhnev is planning to make a tour of the Middle East and Africa in September.

During the course of the week, the Soviet media focused closely on Middle East developments, watching especially the crisis in Lebanon and the Egypt-Libya border, covering developments very carefully. The case of the Egypt-Libya crisis is particularly important since President Sadat has been escalating his suicidal anti-Soviet stand while announcing Egypt's compliance with IMF austerity demands. Although the Czech press, for instance, is harshly anti-Sadat — calling Egypt a tool of reaction and reporting that the U.S., Israel, and the Sudan cooperated to assist the Egyptian war against Libya last month — the Soviet media have been relatively even-handed, perhaps not to upset a scheduled trip by Foreign Minister Gromyko to Egypt in two weeks.

### Columnist Foresees Total Collapse of U.S. Position in Mideast

*The following assessment was given to EIR this week by one of Washington's most renowned columnists, who asked that his name not be divulged:*

**Q:** What is the U.S. intending to do about the unravelling crisis in southern Lebanon?

**A:** As Carter indicated in his press conference this week, we'll do nothing.

**Q:** How will the Soviets take all this? They must be pretty alarmed.

**A:** No, they're cleverly staying in the background, waiting for us to fall flat on our face. Then, as the international oil situation gets rough, you'll find Europe and Japan moving their own way, away from the U.S., and the Soviets getting back into the picture in a big way, consolidating relations with new radicals in power in Egypt and Syria and gaining general strength throughout the area.

Unlike us, you see, the Europeans and Japanese will clearly act on the basis of their own national interest vis-a-vis the Arabs, telling the Israelis, "You're our friends," but we have national interests to develop. This will give them an advantage over the U.S. on the oil front, and on the political question of relations with the Arabs. The less we do about it, the worse it will be for us. This is a very serious problem for us, for every American.

Look at the Europeans: they're quiet, don't make a big public fuss. And, for now, they know that the power to deal with Saudi Arabia and Kuwait lies in Washington. But once the Saudis and Kuwaitis decide that we can't make peace, then a serious crisis will break out within the western industrial bloc, and the Soviets will consolidate in the Arab world, the Europeans will strengthen relations with the Arabs, the Arabs will have new options, and so on.

This future may very well lie in store for us.

## Palestinians Reject Vance Ploy To Split PLO

After two days of consultation in Damascus, the Palestine Liberation Organization Central Council announced on Aug. 26 their refusal to accept United Nations Resolution 242 and denounced the policy of U.S. Secretary of State Cyrus Vance toward the Palestinians as "against Palestinian rights." Khaled Fahoum, the head of the Palestine National Council, the official Palestinian legislative body for which the Central Council operates as an interim decision-making body, announced that a new meeting of the Central Council will soon be held after the leadership of the PLO returns from a visit to Moscow.

The announcement delivers a major blow to Vance's manipulative strategy to catalyze splits and divisions within the PLO by holding out a substanceless promise of U.S. concessions toward the PLO in return for the PLO recognition of 242, a resolution which the organization has always rejected because it treats the Palestinian question as a refugee question rather than one of national self-determination.

During Vance's recent stop in Saudi Arabia, he issued an ambiguous statement about a possible role for the PLO to play in Geneva in return for recognizing 242. But as the Aug. 26 *New York Times* revealed, Vance had made no substantive commitments whatsoever to the PLO nor to the Saudi monarchs with whom Vance discussed the 242 maneuver.

Prior to the Central Council meeting, the Saudis and Egyptians had reportedly pressured the PLO to accept 242 and had won at least the publicly enthusiastic agreement of PLO Chairman Yasser Arafat to the strategy. But it is likely that all along the Saudis had been testing U.S. willingness to *publicly* make an offer to recognize the PLO in return for signs of PLO "moderation." The Saudis are reportedly now irate that the U.S. showed no such signs at all since the completion of the mid-August Vance trip.

According to Arab journalist sources in Europe Aug. 26, the Saudis are "fed up" with the U.S. attitude on the PLO question, and will now "turn toward Europe" for political support.

Within the PLO itself, Arafat came under heavy pressure from PLO centrists to in the absence of any signs of a quid pro quo from the U.S. PLO Executive Committee member Abu Meizer declared, for example, on Aug. 26 that "there is no reason for us to discuss the 242 Resolution just because we received a Hello from Washington."

The PLO also reportedly came under great pressure from the Soviets and the Syrians to oppose the Vance ploy. According to the Beirut journal *An-Nahar*, the Soviets "advised" Arafat et al. to "not be precipitous" in regard to 242 and to instead "hold out" for an actual revision of the resolution itself.

On the eve of the Central Council meeting the Syrian government-controlled press called for the PLO to take a hard line toward the United States initiative. According to a State Department observer, "the Syrians are very suspicious of activities to bring about PLO recognition of 242," since the PLO would be "playing a very strong