

## Begin to expand West Bank settlements

*Any pretense that the Camp David agreement is anything other than a capitulation to Israel's intent to heat up tensions in the Middle East is rudely shattered by the following Sept. 27 report from Jerusalem by London Daily Telegraph reporter A.J. McIlroy:*

Israel is actively planning a big drive to settle thousands more Jews in the occupied Jordan West Bank and the Gaza Strip over the next five years, I learned last night.

Existing settlements are to be extended from the outset and Mr. Begin, the Prime Minister, told his supporters yesterday that he was working on the possibility of new settlements in the region. It was a matter of how the new settlements could be achieved, authoritative sources said. . . .

Mr. Begin's initial West Bank and Gaza Strip programme will be to increase, 'in some cases beyond recognition,' the size of existing Jewish settlements in a continuing process after a peace treaty is signed with Egypt later this year.

The difference between a new settlement and extending an existing site is often a fine point. An extension in the shape of a water tower and protected buildings can be put up 10 miles away and still be claimed as part of the existing settlement it is serving.

Leaders of Mr. Begin's Herut party and the National Religious party, as well as others in the ruling Likud bloc, have been told of the renewed settlement programmes for the West Bank and the Gaza Strip.

But according to some sources even they are destined to be surprised at the extent of the settlement intentions for the region which Mr. Begin plans. . . .

Some of the settlers (removed from the Sinai in the next days) may take up tax relief offers and other incentives to go to the West Bank, the Gaza Strip or the Golan Heights on Israel's northern border with Syria. . . .

During private briefings of his own ruling bloc parties Mr. Begin made it clear that when the five-year trial period for West Bank autonomy was over Israel would "assert its rights" to sovereignty over these areas. . . .

Mr. Begin told his followers that more settlers would be moving into Judea and Samaria. . . .

Whatever is the case at home, the planned increase in Jewish settlements on the West Bank is certain to outrage King Hussein of Jordan. President Assad of Syria is not going to be happy either at the prospect of more Jewish settlers moving into the Golan Heights.

## 4. Banking and BP take aim at the Shah

Efforts are continuing by London's Foreign Office to destroy the central government of Iran by using Islamic Shi'ite fanatics. On Sept. 23 Shi'ite terrorists organized by the religious leader Ayatollah Khomeiny, who lived in exile in Iraq for the last 15 years, blew up the Iranian-Soviet gas pipeline, 27 miles south of Qum, the center of religious unrest. According to British press, the so-called Iranian opposition has decided to move into underground activities and turn Iran into an Ireland of the Persian Gulf. Informed Iranian sources have reported that the Sept. 23 incident is the beginning of terrorist attacks against Iranian industrial centers, in order to stop the Shah's economic drive and decentralize the Iranian economy.

The country is facing a serious problem of capital outflow because of the destabilization. Iranian merchant banks with old British partnerships are the bridge to get money out of the country. The Paris newspaper *Le Monde* quotes a senior Iranian bank source that approximately \$1 billion has fled Iran in the last three weeks.

British Petroleum has launched an economic attack against the Iranian government by rejecting a new oil agreement. The agreement calls for an increase of oil intake by the Western consortium and is seen by the Shah as vital to the country's industrialization. BP is being accused of running a blackmail operation.

Meanwhile, the British press is playing up Iran's economic crisis. The London *Daily Telegraph* blames the Iranian government for the 45 percent inflation rate and claims that Iranians are preferring to shop in London rather than Teheran. The Shah, the newspaper claims, very soon will lose the support of his generals because of the army's dependence on the U.S.

Iranian instability is programmed to be the trigger for the activation of several irredentist tribal groups inside Iran and in neighboring Afghanistan and Pakistan. These groups, sources close to Henry Kissinger have pointed out, are threatening to use the Iranian situation to press for an independent Baluchistan, an independent Iranistan within Iran's borders, and an independent Pushtunistan.

The potential of this area for tribal-religious unrest was underscored in a Sept. 27 London *Guardian* article on the decision by Iraq to place Iraq-based Islamic Shi'ite spiritual leader Ayatollah Ruhollah Khomeiny under house arrest.