

International Intelligence

Saudi economic warfare against Iran's mullahs?

With only \$600 million left in reserves to pay for both imports and arms for its war against Iraq, Iran has seen its oil sales undercut by Saudi Arabia, according to OPEC-linked sources. Even though Iran lowered its oil price by \$4 a barrel, it cannot compete with Saudi Arabia for badly needed sales; because Iran is a war zone it costs an additional \$6 per barrel in insurance costs to contract Iranian oil.

Saudi Arabia, which continues to keep its oil output at a maximum, is coordinating production policy with Iraq. Britain, which recently cut its own petroleum output, is in turn pressuring the Saudis to join in firming up world prices, and is supporting Iranian plans to move militarily against Kuwait.

Iran plans attack on Gulf emirates

EIR intelligence analysts evaluate an Iranian attack on one of the Arab oil-producing emirates of the Persian Gulf to be highly probable. Our reports include those of Arab diplomatic sources returned from the Iran-Iraq war front: "Iran is hurting badly in the war," say sources, "and there is every likelihood that Khomeini will try to blow up the Gulf and thus attract the attention of the superpowers, since this is the only way that he can salvage his position in the war."

Domestically, all sources concur, Iran continues to fragment, is economically bankrupt, and while it can barely continue warfare against Iraq, Islamic leaders fear that an idle military would stage a coup d'état.

Kuwait is a likely target, according to Prof. Shaul Bakhash, a confidant of British intelligence specialist Bernard Lewis, now stationed at Princeton. Iranian bombs in the last 12 months have knocked out Kuwaiti oil pipeline pumping installations. Kuwait expects an Iran-

ian attack, say Lebanese sources, and is already lining up support from other Arab states and Western allies.

The *Wall Street Journal's* lead item, mooted Iran and the Persian Gulf as a prospective center for U.S.-Soviet confrontation, appeared Feb. 24, indicating that U.S. State Department sources may be encouraging such an Iranian adventure at this time. The *Journal* quotes Eugene Rostow, State Department official, saying "the Soviet pause for appraisal of this administration is over, and we're going to be tested. I believe Iran is the place we're going to be tested."

NATO exercises on 'crisis response'

NATO, which is still formally restricted to the European theater, will conduct major naval and air exercises this month in the Gulf of Mexico and the Straits of Florida, coming perilously close to the Cuban mainland. The 10-day exercises will begin March 8, and cover waters known to be patrolled by both Cuban and Cuban-based Soviet shipping.

"Safe Pass" will involve 28 ships and 80 aircraft from six nations. Reagan administration sources indicate that the exercise will show NATO's commitment to protect vital shipping lanes in the Caribbean and Gulf from potential attack. This, according to the Defense Department and NATO command, is a vital part of "crisis-response capabilities" which Cuba might threaten.

Bronfman clashes with Israeli ambassador

A Paris conference of the World Jewish Congress (WJC) Feb. 20-21 became the scene of heated exchanges between WJC president Edgar Bronfman and Meir Rosenne, Israel's ambassador to France. Bronfman attacked the policies of Menachem Begin as extremist, calling Israel's

international position "in decline" and demanding a "new cooperation."

"Israel cannot be solely an armed fortress with Jewish outposts in some 60 countries around the world. Israel has to speak to us and to listen to us if aid is to be continued," stated Bronfman. Rosenne replied arrogantly: "Send dollars, that's fine, insofar as it serves you Jews in affirming your identity, but the fate of Israel will be decided in Jerusalem. Israel is not a sub-state. It has paid for its independence. Thus, to express oneself on these matters, it is necessary to be an Israeli."

Bronfman objected to Begin's use of the libelous device of calling anyone who opposed his policies "anti-Semitic." He stressed that terrorism is on the rise, not anti-Semitism—Jews are simply sometimes the target of terror. There is not a single country in the world, including in the East bloc, that is properly classified as anti-Semitic. Bronfman also asserted that a Jew's primary loyalty is not to Israel, but to his respective country.

Zionist leader warns of war

Nahum Goldmann, former head of the World Zionist Organization, delivered a press statement in Bonn Feb. 17 describing the situation in the Middle East as similar to that preceding the 1967 war, and blaming Israeli Premier Menachem Begin. Goldmann also cited U.S. Secretary of Defense Caspar Weinberger's "careless declarations of intention to arm Israel's neighbor Jordan," as exacerbating the war-danger.

Goldmann said that despite Washington and Israel's actions, the area is not hopeless, since the majority of Arabs and Israelis still want peace. He is working with European leaders including Chancellor Schmidt, Austria's Bruno Kreisky, and others to establish a peace dialogue based on a proposal to internationalize East Jerusalem, annexed by Israel last year. "Internationalization" would give back access to religious shrines to all faiths, including Muslims.

Goldmann added that he is attempting to develop Soviet contacts and support to further his peace efforts.

Soviet military chief draws 1930s parallel

The Chief of the U.S.S.R.'s General Staff, Nikolai Ogarkov, delivered a speech on Soviet television Feb. 23 in which he declared that Washington's policies constitute a "material preparation for a new war," comparing the current conjuncture to Nazi Germany's war preparations in the 1930s. He warned "narrow-minded people" in the United States that a U.S. attack on the U.S.S.R. would bring the same "cruel end which Nazi Germany" underwent.

His address, which constitutes one of the hardest-hitting commentaries to date from a senior Soviet leader, continued by stressing that the Soviets are accelerating the process of economic integration in order to prepare the economy for conflict. This, he said, would be undertaken on the model of the state defense committee under Stalin.

Pope calls terrorism 'international conspiracy'

Pope John Paul II, on the occasion of an international conference on terrorism in Rome Feb. 18, placed the full authority of the Vatican behind Italian judiciary investigations when he specifically denounced terrorism as the instrument of an international conspiracy. The conference, representing Christian Democratic parties from throughout Europe, began with a reading of the Pope's statement.

Dramatically contrasting with "sociological phenomenon" descriptions, John Paul stated: "These acts of terrorism are not limited to any one country. They are rather the fruits of an insidious network with international aims and plots." "Pope Denounces Terrorism as

International Conspiracy" was a typical headline in Italian press the following day.

Italian authorities have recently arrested, indicted, or sought discovery against not only gun-carrying Red Brigade members, but Swiss bankers, respected university professors, socialist-linked trade unionists, and offspring of ancient and wealthy titled families in Italy. They have implicated not only drug-smuggling Sicilian mafia groups, but foreign secret services including above all the Israeli Mossad. Implicated or under investigation are Michael Ledeen, an adviser to the U.S. Secretary of State on "terrorist affairs," and the Duke of Kent, the English Queen's cousin, and head of the Scottish Rite Freemasons.

Is it possible, asked the Pope in his statement, that "the recrudescence of injustices . . . could be what incites such violent reactions." On the contrary he answered, it is "an efficient psychological weapon" enjoying "cooperation of the mass media."

Trudeau opponent wins in Alberta

Oil man Gordon Kesler, head of the Western Canada Concept party, won an upset victory in Canadian by-elections in Olds-Dindsbury, Alberta Feb. 19. Kesler is a bitter opponent of federal premier Pierre Elliot Trudeau's proposal to repatriate the British North America Act and add a "human rights" bill to make a "new constitution" for Canada.

The "human rights" portion of the synthetic package would appear to prepare the way for Canada to be ruled by a "crisis management" government.

Kesler took 42 percent of the vote in opposing Trudeau as a "socialist conspirator." The new constitution "does not guarantee the right of private property," he declared. Indeed, nowhere in it is there any explicit protection of private property rights.

Three days after the election, Trudeau's only answer to the charges called Kesler guilty of "hateful propaganda."

Briefly

● **DER SPIEGEL** magazine, the voice of British intelligence in West Germany, has leaped to the support of an idea now totally discredited by Italian authorities: "Young people commit terrorist acts . . . spontaneously because they find living conditions unbearable." Attacking the Italians for proving terrorism to be a unified international conspiracy, *Der Spiegel* insultingly observes that "the big terrorist acts, if for no other reason than their perfect logistics, were totally atypical for Italians."

● **KUWAIT** has declared French Foreign Minister Claude Cheysson "persona non grata" in their country. The United Arab Emirate press denounced French President Mitterrand's representative, saying that France "is favorable to the Arab cause when the head of its diplomacy visits the emirates, and unfavorable when he goes to Israel." The foreign affairs ministry also denounced what it termed "French confusion."

● **REUTERS** issued a news bulletin Feb. 24 which we reprint in its entirety: "The British government said today that it would legalize homosexuality in Northern Ireland, bringing the province into line with the rest of Britain."

● **VATICAN** officials continued their crackdown on the Jesuit order with a demand that Father César Jérez, Jesuit superior for Central America, immediately resign. The demand was issued by Father Paolo Dezza, an intervenor into the order for Pope John Paul II. Dezza is now leading a meeting of Jesuit provincial leaders in Rome, and wants Jérez replaced with a leader "capable of dialogue with the local hierarchies." The Jesuits, as in El Salvador, have generally acted to promote wars in Central America.