

Middle East Report by Robert Dreyfuss

A growing sense of urgency

Saudi Arabians say that unless the superpowers press a regional peace settlement, Iranization lies ahead.

Saudi Arabia's Crown Prince Fahd is reported to be revising his eight-point Mideast peace plan, which calls for Israel and the Palestine Liberation Organization to recognize each other as legitimate entities. Lebanese sources say Fahd now favors bringing the U.S.S.R. into a peace conference modeled on the October 1977 U.S.-Soviet declaration, which was undermined by the Camp David separate peace between Israel and Egypt. Previously, Fahd had called for a Geneva-style international conference without specifying Soviet participation.

The Saudis are impelled by an awareness that only the superpowers *jointly* can restrain the greatest threat to the Persian Gulf: Israel and the Israeli-armed Khomeini regime, which has been battling Iraq for 19 months.

Saudi Arabia intensified its diplomacy following a turn in the war late last month, when Iran subjected the Iraqi occupying forces to their first big setback. The prime focus of that diplomacy is the Reagan administration. Abdul Aziz Qureish, director of the Saudi Arabian Monetary Agency, the kingdom's central bank, informed Washington in early April that Saudi Arabia may be forced to withdraw some of its assets from U.S. banks to continue to support Iraq in the latter's effort.

In West Germany on April 6, Saudi Oil Minister Ahmed Zaki Yamani delivered a blunt and, in

his words, "urgent" speech to the equivalent of the Council on Foreign Relations. Yamani reiterated the essence of Fahd's peace plan: if Israel will recognize the Palestinians' rights to self-determination, the Arabs will recognize Israel and begin overall peace negotiations.

Yamani warned that unless the Western nations take the initiative to resolve the Mideast crisis, Khomeini-style "revolutionary movements in the Mideast and Africa" will spread.

Arab sources report that Riyadh's concern about the Iran-Iraq conflict reflects a fear that continued war might mean the fall of Iraq's Saddam Hussein, and his replacement by a more radical regime.

The Soviet leadership is divided over Mideast policy. One faction identified with Boris Ponomarev of the Central Committee and Gen. Kim Philby of the KGB welcomes the way Israel's actions are radicalizing the Arab world. The other faction around President Brezhnev continues to seek détente with the West, which would entail a Geneva-style Mideast conference.

A Georgetown University Mideast analyst recently told *EIR* that Saudi Arabia is trying to use all its diplomatic influence to foster détente. In late March, the Interior Minister from the United Arab Emirates made his first trip to Moscow, with which the UAE had no diplomatic relations. He was re-

ported to have urged Moscow to contain Soviet-allied radical movements in the Arab world as a prelude to an Arab-wide Interior Ministers' meeting in May called by Saudi Arabia to tighten regional security.

On April 3, Saudi Defense Minister Prince Sultan visited Baghdad to assess the course of the war. Two days later, the Saudi cabinet met to weigh another cut in oil production, the second in as many months, in order to share exports with other OPEC producers faced with depressed oil demand. Britain has led the drive to cut world oil prices by dropping the price of North Sea crude to \$31 a barrel in order to put maximum pressure on Riyadh, which has vowed to keep OPEC's price at \$34. British policy has been to undermine the Saudis and—as witness the BBC's 1978 role in bringing Khomeini to power—encourage the emergence of anti-American regimes committed to neo-colonial backwardness and reductions in oil output.

The alternative to a Saudi withdrawal of funds from the United States to fund Iraq, reports a Jordanian source, would be for Washington to force Israel to halt its arms supplies to Iran.

The Reagan administration is reportedly backing the Saudi mediation effort, but whether the White House will actually move to restrain Israel is in doubt. Secretary of State Haig is an obstacle to such a course. Another is Saudi Prince Talal, who recently appeared in Washington for talks with Reagan on Mideast policy. Talal, a long-time enemy of Prince Fahd, is allied with the same Muslim Brotherhood networks which Israel and the KGB support.