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The Globalist Research Foundation

3101 Clifton Avenue • Cincinnati, Ohio 45220 • (513) 221-1875



Dr. Ellis Rivkin, *President*

Jan. 30, 1981

Dear Mark,

It was so good talking with you and I am delighted that you are planning to have me share my "globalist" views with some appropriate group some time soon. I do appreciate your interest and your backing.

I am enclosing the following:

1. A copy of the Proposal for the Globalist Research Foundation which states briefly the basic hypotheses which underline our research and the kind of funding we need.

2. A copy of the October/Nov. 1977 Globalist which documents our working hypotheses and which I urge you to read with great care, since all subsequent analyses presume that our readers have studied the documentation of our basic assumptions. I regret that mimeographing leaves much to be desired. The Feb. 78 issue is also vital for its documentation of Britain as a superpower.

3. Other copies of the Globalist among which I draw your special attention to our Khomeini Feb. 1979 issue which regrettably is printed in a type which leaves much to be desired, especially the footnotes. Our Oil Slick issue and Punding the Dollar are highly relevant.

4. A copy of my paper "Antisemitism in the New Testament" which I gave for Oesterreicher this Fall.

I am looking forward to hearing from you as soon as you have found a group and a date for the sharing of my "globules."

With friendship and appreciation always

Ellis

Oct. - Nov.

THE GLOBALIST NEWSLETTER

Cincinnati, Ohio
November 21, 1977

Dear Friends:

This is a very special issue of the Newsletter.

When we first began preparing this issue, we had a simple goal: to reassure our readers that the U.S. commitment to Israel was an absolute commitment and that there had been no change in American policy.

It soon became evident, however, that such a reassurance would be credible only to the degree that we could demonstrate with compelling documentation the following postulates:

1. Statecraft goes hand-in-hand with stagecraft; hence the images planted in our heads are not true pictures of what is actually taking place.
2. The prevailing image of the Soviet Union as a superpower is false, and the Soviet navy is a navy only in the sense that it has armed floatables and immersibles.
3. The prevailing image of Great Britain as a mini-power is false.
4. The threat to Israel in the Middle East derives from Great Britain and not from the Soviet Union.
5. The '56 War, the Six-Day War and the Yom Kippur War were wars waged by the United States, with the help of Israel, Egypt and Syria to undermine Britain's power and influence in the Middle East and to champion the principle that the narrow straits, channels and waterways of the world be open to all nations, including Israel, for free and innocent passage.
6. The struggles in the Middle East are reflective of a global civil war between two incompatible forms of capitalism--nation-state imperialism (Great Britain) and developmental transnational global capitalism (United States)--a civil war which binds Israel to the United States and the United States to Israel with bonds of enduring self-interest.

Hence, this issue of the Newsletter became the special issue that it is. Every effort has been made to underwrite each of the above postulates with evidence drawn from the foremost statesmen of our age, from those responsible for decisive decision-making, from those who have had access to critical knowledge and hard facts, and from the patterns elicited from the structure of action in contrast to patterns elicited from the structure of rhetoric.

This issue is vital for all future Newsletters since it will be referred to whenever the overall theoretical postulates are required for understanding the ongoing analyses of contemporary events.

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With this issue we begin our efforts, on an experimental basis, to publish the newsletter with some degree of regularity. The success of this experiment is dependent not only upon the commitment of the editors, but on the response which we receive from our readers.

Putting out the newsletter is not an easy task. It involves tremendous effort and considerable time. The editors are willing to expend this effort and to give this time. But you, our friends, are the only ones who will determine whether or not this effort and energy are of value to you, and whether or not you will be willing to support its continuation.

With the hope that this issue will reveal for you the few points of truth which the fog of information and the clouds of testimony obscure, we eagerly await your critical reactions.

With every best wish and fondest regards,

Sincerely,

Ellis Rivkin

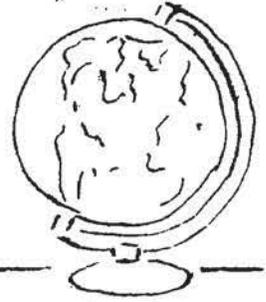
Ellis Rivkin, Editor

Connie Yaffe

Connie Yaffe, Managing Editor

THE GLOBALIST NEWSLETTER

Volume III - No. 2



A Privately Circulated Newsletter

Cincinnati, Ohio

October 28, 1977

Ellis Rivkin, Editor
Connie L. Yaffe, Managing Editor

Dear Friends:

In order to make the Newsletter as helpful as we know how, we have decided that it would be optimal to publish supplementary Newsletters whenever the fast-moving pace of events require quick updating of our analyses, especially where the fate of Israel is concerned. Such an updating is certainly in order following on the joint U.S.-Soviet declaration with its nudging of Israel, the Arab states and the Palestinians towards a Geneva conference. Since this joint declaration has tossed the American Jewish community into turmoil, if not panic, and since Carter has once again demonstrated his mastery of the "blur," we feel that our readers ought to be apprised of how we analyze what is going on.

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Statecraft and Stagecraft

The major regenerative source of the periodic panics of the American Jewish community with respect to Middle East crises is the underlying assumption that America's commitment to Israel is precarious and largely contingent on the political clout of the American Jewish community. There is little faith in the notion that American long-range interests necessitate an absolute commitment to Israel, a commitment which is fundamentally independent of there even being an American Jewish community or an Israeli society populated by Jews. American Jewry shrinks from the thought that it might very well be that the United States might well have underwritten Israeli statehood for the very same reasons that the United States underwrote the transformation of the German and Japanese nations from utter defeat, humiliation and degradation to the economic and political showpieces of the Western world. The resurrection of Germany surely did not come from the political clout wielded by Americans of German descent. Nor is anyone likely to attribute the rebuilding of Japan to the lobbying of Japanese-Americans who, at the end of World War II, were only too happy that they were released from protective custody. The decision of the United States to rebuild West Germany and Japan was, along with the decision to launch the Marshall Plan, followed from a blueprint for a restructured global community committed to economic development and, hopefully, a transnational community of autonomous, though not fully sovereign, nation-states. The supposition that the United States might view the emergent state of Israel as an equivalent beachhead of development in the Middle East has rarely occurred to most American Jews. Instead, the American Jewish community has looked upon the State of Israel as largely a creation of the effective political pressure of the American Jewish community. Consequently, every crisis in the Middle East has frightened the American Jewry because they cling to the belief that the United States would abandon Israel simply because the calculus of political clout on the American scene may have altered: a President might feel that the Jewish vote was not that essential, Congressmen might sense that other constituencies would further their political ambitions more expeditiously, Israeli lobbies might garner more financial support, Arab propaganda might prove more alluring, the media might take a fresh look. The fate of Israel was always seen dangling on the edge of uncertainty, since Israel's existence was not an absolute commitment of the American elite, irrespective of the changing political allegiances of the occupants of the White House. American Jewry was always agitated on the eve of Presidential elections lest the wrong candidate be voted in.

This failure to reckon with the possibility that the long-range interests of the United States necessitate an absolute support to a viable Israel stems from an even more fundamental misperception of the sources of foreign policy. Not only Jews, but even political scientists of note, have nurtured the illusion that foreign policy is overwhelmingly determined by the personal views of the President or the Secretary of State, and that it is susceptible to alteration and change merely because one political party has bested another. Failing to note the continuity of foreign policy, which transcends political party differences, a goodly number of even sophisticated commentators delight in exposing the seeming incompetence of Presidents and Secretaries of State. Again and again the impression is conveyed that our decision-makers are inept, that our foreign policy is rudderless, and that an aroused public opinion is the only hope for a change of course.

The readers of The Globalist Newsletter have long been aware that we reject these prevailing assumptions. We have always affirmed that the United States' long-range policy dictated its absolute commitment to Israel, a commitment which would be no less total were there not a single Jew living in the United States. This perception of American policy follows from the profile of American developmental capitalism, which needs beachheads of development in Europe (West Germany), in Asia (Japan), in the Middle East (Israel) to undermine and ultimately to dismantle the structures of underdevelopment which were built, consolidated and sustained by the great imperial powers, most notably Great Britain. This fastening on the economic profile itself follows from the assumption that the foreign policy of a stable sovereign state is a reflection of the dominant national interest; in the case of the United States, this dominant interest is developmental capitalism, and in the case of Great Britain, nation-state imperialism. The decision-makers therefore bespeak the national interests, irrespective of their individual personalities, and irrespective of contrary statements which were made prior to donning the mantle of decision-makers.

Foreign policy as the impersonal refracted reflection of the national interest has had no more eloquent a spokesman than John Foster Dulles, who, to this day, is still primarily recalled by students of foreign affairs as an ideologue--an incorrigible champion of the Cold War whose crusading religious zeal blinded him from carrying through a tempered foreign policy. Yet it was John Foster Dulles who, at the time of the Versailles Treaty, delivered himself of the following Marxist-Leninist-like appreciation of statesmen as the impersonal spokesmen for economic political interests. Here is what he wrote at that time:

"The attitude of a great nation is not determined by the personalities of individual statesmen or politicians. The explanation of the position of France is not to be found in the mental processes of a Clemenceau or a Poincare. Such individuals are merely brought into emergence by great fundamental forces by which they will be the mouthpiece

it is basic economic and political conditions which determine the broad lines of national policy. It is these we must study and with which we must deal."

From Michael A. Guhin, John Foster Dulles,
(N.Y., 1972), pp. 72-73.

John Foster Dulles was no less direct when, long before he was Secretary of State, he expressed himself on the fundamental principles of statecraft:

"It is difficult for me to think of any situation where substantive gains were renounced when we [the United States] had the power to achieve them but feared that the use of power would be improper all nations are inherently selfish, and we are no different from any other it is easy to fall into the illusion that our policy is dictated by altruistic motives. This view will not . . . stand the test of impersonal scrutiny most of the expansion of the American nation has been through war or the threat of war. Was that illegal? Should the United States be forever confined to its original strip of territory along the Atlantic seaboard? . . . moral distinctions, though pleasing to those who draw them, are hard to sustain in fact, and I know of no historic reason to justify our approaching these problems of international relations with the complacent assumption that we are party to a clashing of the forces of good and evil, and that solution is to be found in the moral regeneration of those who hold views contrary to our own. . . ."

Ibid., pp. 64, 82, 70, 88, 74.

Especially pertinent for our present analysis is the following statement of John Foster Dulles where he associates statecraft with stagecraft:

"Those in charge of a nation's foreign affairs are predominantly those who set the stage. They're sufficiently behind the scenes so as not themselves to be carried away by the emotions they would create in others. They are generally disinclined to permit emotions to force action which appears to them clearly to be suicidal. There are, of course, times when the group authority loses control of those emotional forces which it has called into being. But this is exceptional."

From John Foster Dulles, War Peace and Change, pp. 66-67.

More fetching candor by a student of international affairs could hardly be asked. John Foster Dulles, without so much as a qualified clause, is on record as having deliberately affirmed that the decision-makers responsible for foreign affairs are engaged in stagecraft. They create emotions in others which have no hold on themselves. This they can do because they are sufficiently behind the scenes so that their roles as stagecrafters cannot be discerned. They are so in control of their emotions that they do not allow the passions that they arouse in others to colour their perception of how the national interest might be most rationally and effectively pursued. Thus they always keep their cool.

Stagecrafting as an art cultivated by statesmen is attested to by the greatest of contemporary statesmen. Winston Churchill, for example, in reflecting on the difficulties besetting those who might be seeking to unravel the skeins of truth from the skeins of diversion, unclarity and falsehood that are interwoven in the tapestry we call World War I, came up with this priceless insight:

"A vast fog of information envelopes the road to Armageddon, and in this cloud of testimony the few gleaming points of truth are often successfully obscured."

From Hazlehurst, Politicians at War (New York, 1971), p. 13

Former President John F. Kennedy likewise is on record as confirming the advanced state of stagecrafting as practiced in his administration. One time, when Kennedy was asked at a press conference about the contradictory statements with respect to Vietnam being articulated from multiple high level sources, explained the phenomenon as follows:

"I know of no disagreement between the State Department at the top, Defense at the top, the White House and Ambassador Lodge on what our basic policies will be and what steps we take to implement them.

"Now if down below there is disagreement, I think in part, it will be because they are not wholly informed on what actions we are taking. Some of them are necessarily confidential [and consequently must be kept from those government officials who are 'down below']."

From Kennedy and the Press: The News Conferences (New York, 1965), p. 505.

Henry Kissinger, for his part, echos and reechos these themes. Thus he sees eye to eye with John Foster Dulles with respect to the transpersonal nature of foreign policy. In response to a question put to him at a news conference asking him whether there was any difference between the foreign policy of President Nixon and President Ford, Kissinger rejoined as follows:

"The foreign policy of a great country cannot be changed at the whim of individuals; and if it is perceived that every President starts an entirely new form of policy, that in itself will create an element of instability in the world.

"So if you look at the entire American post war foreign policy, you will find that the changes in the major directions of foreign policy haven't been all that significant.

"What is different between various Presidents is the style, the method of doing business, and when new problems come up they must make their own decisions."

From The Secretary of State, May 5-8, 1975, p. 7

Or consider Henry Kissinger's confirmation of stagecrafting as continuously operative in those areas such as the SALT talks, where the sensitive nature of the negotiations requires that all but the top levels be kept in the dark:

". . . Many of the most important decisions are kept to a small inner circle while the bureaucracy continues working away in ignorance of the fact that a decision is being made in a particular area . . . the only way secrecy can be kept is to exclude from the making of decisions those who are theoretically charged with carrying them out."

Cited by John Newhouse, Cold Dawn, p. 53, from the Washington Post of January 3, 1972, which in turn is drawn from Kissinger's report for Securities Studies Project of the University of California. (Italics mine).

Even sharper is the vignette which Kissinger drew in his press conference of December 9, 1975, when he attempted to clarify why the United States did not make an issue of alleged "Russian" violations of the SALT Agreement:

"Now as I have pointed out, the issue of compliance is an extremely complicated one, and in rummaging through the files of various departments it is not difficult to find memoranda written by subordinates who have no idea of what is going on in the overall picture, who will write down their own perceptions of what they think is happening-- usually in the modern form of memoranda of conversations to themselves that nobody ever sees, on which no one ever comments, and which appear three years later in a context that no one can ever discover."

From The Secretary of State, December 9, 1975, p. 4. (Italics mine).

Endless memoranda envelop the SALT talks with fog. Communications, unread by decision-makers, generate clouds of testimony within which a few gleaming points of truth are successfully obscured. What a tribute from a master of state-stagecraft to one of his most brilliant and eloquent teachers.

And lest we brush Carter aside as an epigone, let us read with reverent awe Carter's testimony to the Foreign Relations Committee on November 23, 1976, shortly after his election but prior to his inauguration. When asked by one of the members of that Committee--the committee which had been so adamant in its efforts to dismantle the imperial presidency--as to the principles which would suffuse Carter's foreign policy style, Carter unhesitatingly stated:

"There will be times when nobody needs to know about a foreign policy challenge except me and the Secretary of State, or sometimes perhaps just me and the head of a foreign government."

From William Safire, "Era of Good Feelings," Cincinnati Enquirer, December 13, 1976 (italics mine)

This unhedged affirmation of presidential absolutism stunned Safire, but was accepted without a ripple of astonishment by Senators Frank Church, Benson, Gravel, Gary Hart, Case, Baker, Griffin, and Percy. As Safire pictures it:

"The Senators sat in obsequious silence. Nobody suggested to the newly elected leader of the free world that foreign relations ought never to be carried out solely between two men at the top. Even during the most justifiably secret initiatives in recent history [for example, Nixon's visit to China] . . . the President's secret was shared with at least three other men in our government, and carried out a policy that had been clearly stated to the Senate. . ." (Ibid)

Carter may indeed be a reborn Christian, but in the art of state-stagecraft, he is no less a reborn Thucydides, Madison, Palmerston, Churchill, Kennedy, and Kissinger. Although only the passage of time will allow us to determine whether Carter will top them all, his audacious assertion of the doctrine of Presidential absolutism may qualify him as having been the first statesman to have put on the public record the most fundamental truth of how foreign policy is formulated, shaped and activated, namely, from the very pinnacle of constituted authority.

Scenarios

Confronted with these citations, emanating in every instance from the foremost statesmen of our age, what conclusions may we legitimately draw? There seems to be no inferential alternative than the following formulation: In a modern, stable, sovereign nation-state, the architects of foreign policy and the implementors of this policy are confined to a very small "inner circle"--this is Kissinger's phrasing, not mine--who carefully screen off from all lower levels--however high in the hierarchy they may be--the authentic foreign policy along with the full array of instruments that are being utilized at any specific time to carry this foreign policy through effectively. Thus Churchill testifies that rummaging through endless documents stored away in government archives is hardly a guarantee that the few gleaming points of truth are likely to be discerned. John Foster Dulles reassures us that the public passions of statesmen obscures the inner serenity and the cool calculation, which stir up and agitate the people at large. John F. Kennedy likewise was not at all surprised that, beneath the unified policy known to the "top," there were layers and layers below churning with contradictions spawned by ignorance deliberately cultivated. Henry Kissinger, for his part, mockingly derides those bureaucracies who churn out endless memoranda under the illusion that their memos will be read, their voices heard, and thoughts weighed. Alas, unbeknownst to themselves, they had been employed not to think but to envelop the core policy and its implementation with fog, and to obscure the few gleaming points of truth with protective clouds.

Such consistent testimony would seem to carry with it a clear and firm mandate: to ferret out the true foreign policy from the elaborate facades which have been constructed to preclude such a ferreting-out. One must look behind the stage to those who have written the scenarios and have set down the stage directions.

And that there are scenarios without number can now be thoroughly documented. Already back in 1969 Miles Copeland, who had been charged with the responsibility of setting up CIA operations in the Middle East and who had on several occasions served as a personal emissary of the President to Nasser, had written a book entitled The Game of Nations. Though flippant in style and tone--itself a helpful cover for keeping the academics away--Copeland reveals at the very beginning of his book the way in which scenarios are built up within the game rooms of the State Department. In these rooms, individuals are assigned the roles of contemporary world leaders and are given the task of playing out a wide variety of conceivable crises. Their performance is then judged by comparison with the known way in which these self-same world leaders actually conducted themselves in identical or similar crises. Out of this continuous refinement of perception, scenarios are written in anticipation of future crises.

The extent to which scenario-writing had been developed into incredibly detailed plays was revealed in an article by Stuart H. Loori

in the Los Angeles Times of August 1, 1970. For our purposes it is especially significant that the occasion for this revelation was the Middle East crisis involving the possibility of an Israeli-Jordan confrontation. Here is Loori's account of the scenario-writing role of the WSAG (the Washington Special Action Group):

"For more than a year the Administration has had the so-called WSAG--the Washington Special Action Group--busy planning for possible crises and diplomatic opportunities throughout the world. When that planning has been boiled down into a series of red-bound loose-leaf notebooks in Kissinger's files they give a step-by-step scenario for American diplomatic and military moves.

"The scenarios, in tabular form, amount to detailed instructions on just what each American government official involved must do and say on each hour of every day during an international crisis.

"Presidential speeches are drafted in advance and appended to the scenario as are press releases and all possible diplomatic communications." (Italics mine)

This account appeared more than seven years ago. Are we to believe that, following on this revelation, detailed scenarios involving what each and every American government official is to do and say on each and every hour of each and every day during an international crisis were no longer deemed necessary? Were Presidential speeches drafted in advance and appended to the scenario thought to be no longer of any value? Was the pre-preparation of press releases and all possible diplomatic communications regarded as unhelpful? Or are we to draw the more likely inference that scenarios have become more detailed, more sophisticated, more helpful, as testing of the effectiveness of former scenarios continuously allows for refinement in prediction and in scenario-writing.

Statecraft, stagecraft, scenarios--these are the vital components of the contemporary Middle East crisis insofar as the surface of events and the impassioned rhetoric are concerned. Following logically from the evidence cited above, would not one have anticipated that the current drama was visualized in at least one of the scenarios that had been drawn up some time ago? Such a scenario would focus on how the actors would most likely conduct themselves when faced, let us say, with an announcement to the effect that the United States and the Soviet Union were agreed on a formula nudging the interested parties to a Geneva meeting. The range of possible reactions would be largely predictable--the American Jewish community, for example, could be counted upon to be outraged, shouting betrayal. The official spokesmen for the PLO could be counted upon to express their resentment that the PLO is not to be accorded an official participating role. Such a scenario would distinguish between those actors whom the United States did not control from those actors whom the United States controlled in part, and these, in turn, would have to be distinguished from those actors who could be counted upon to

to read whatever script is handed them and to play out whatever part is appropriate to move the plot to its hoped-for conclusion. Such script and role assignment would carry with it the appropriate stage directions, such as violent anger, "sincere" blustering, pained disappointment, and uncompromising defiance, so that the public will react with anger, panic, defiance, etc.

Of all the actors under American direction, no actor can deviate less from the script and from the assigned role than Israel: utterly and absolutely dependent on the United States for its sophisticated arms, for its economic survival, and for the uninterrupted nurturing by the American Jewish community. As Ben Gurion put it so unambiguously to his Cabinet on the eve of the 1956 War (October 28):

"I have no idea what will be the fate of Sinai. What interests us is the Eilat coastal strip and the Straits. I imagine that if we occupy the Sinai Peninsula, a certain number of powers would force us to evacuate it. . . . and I am thinking more of the Americans than the others, because they would force us to withdraw. The United States wouldn't need to send troops; it would be enough for them to announce that diplomatic relations were being broken off, that collections for the Jewish funds were forbidden and loans to Israel blocked. . . ."

Cited by Michael Bar Zohar, The Armed Profit, p. 239
(italics mine)

Hence, given this absolute dependence on the United States for its very existence, it is hard to imagine that Begin would dare utter a single word that had not been either written for him by American decision-makers or approved by them, or that Dayan could possibly express a point of view that was not fully explicated in the scripts which had been gone over with him during talks with American decision-makers during the staging of the "crisis." Indeed, the speed with which Carter and Begin and Dayan altered their public statements would alone, it seems, have been sufficient to arouse the suspicion that this haste was induced by the wish to get on with the show as soon as possible.

What, then, was the purpose of the scenario, if scenario it was? Simply stated, the scenario was staged so as to alter the mind-sets of American Jewry, the Israeli citizenry, and the "spectators" throughout the world so that they would come to the realization that the Geneva Conference will seek to find a solution which will indeed acknowledge the "right" of the Palestinians to a homeland, with or without Jordan, and the political legitimacy of the PLO leadership once it openly affirms the absolute right of Israel to exist as a sovereign nation in the Middle East. The need for the crisis would seem to have stemmed from the fact that the chances for a Geneva meeting, which had been remote, had now improved. This improvement, insofar as the theoretical position taken by the Newsletter is concerned, would be attributed to the willingness of Great Britain to work out some deal with the United States which had previously not been on the

table. On the face of it, the most likely basis for a deal would be that if the United States gave a relatively free hand to Britain's plan for a Rhodesian settlement, Britain, for her part, would allow her Middle East Clients, especially Jordan, to go to Geneva prepared for a settlement, and urge the radical groupings which she very likely supports in the PLO to come to terms with the moderates and acquiesce in recognizing the legitimacy of Israel. Since, however, the facade has the Soviet Union as the recalcitrant, meddling, meddling, obstructive super power challenging the United States and supporting the radical elements in the PLO, the deal worked out by the United States and Britain can be consummated only by reinjecting the Soviets as co-sponsors with the United States of a Geneva conference. A potential breakthrough has thus been misperceived as an American sell-out of Israel, and with good reason, given the fog and the clouds which have successfully obscured the calculus of interest and power in the Middle East since the rise of the State of Israel.

What are the sources of such misperceptions? These stem, we would suggest, from several false images: (1) that of Great Britain as a mini power; (2) that of the Soviet Union as a super power; (3) an underlying identity of interests which bind the United States and Great Britain into a partnership called the "West"; and (4) a fundamental cleavage of interest between American capitalism on the one hand and Soviet communism on the other. With pictures such as these firmly implanted in our heads, it is not at all surprising that when confronted by major crises, we respond to them with the ready assumption that the United States and the Soviet Union are once again confronting each other, with the additional assumption that Great Britain cannot be the other superpower whose hegemony is being challenged by the United States in collaboration with the Soviet Union. In fact, Britain these days is frequently believed to be a lesser power than France and Red China. Since these false images preclude our understanding of what has been going on in the Middle East, it is essential that we share with you some of the evidence which long ago had convinced us that (1) the Soviet Union, at most, is a mini power; (2) Great Britain is the only other super power; (3) the basic source of the tumult in world affairs is the struggle between two antithetical forms of capitalism--nation-state imperialism, as represented by Great Britain, and developmental trans-national global capitalism, as represented by the United States; and (4) the United States and the Soviet Union have, since the Summit conference of 1955, collaborated in a joint effort to dismantle the British "imperial" system (dependencies, the Commonwealth, and the sterling bloc).

The Soviet Union--Mini-Power

Since there is no clearer image in our heads than that of the Soviet Union as a superpower so advanced technologically as to threaten American supremacy with an ever-growing range of sophisticated nuclear and conventional weapon systems, it is essential that

this image be displaced with an image more reflective of what the Soviet system in reality is. This system, when thoroughly analyzed, shows itself to be economically underdeveloped, technologically backward, hopelessly inefficient, and as yet lacking the minimal infrastructure required for the manufacture of nuclear weapons and sophisticated delivery systems. This backwardness is forthrightly exposed by no less a Soviet authority than Andrei D. Sakharov, who is alleged to be the "father" of the Russian atom bomb. In June of 1968, Sakharov published a manifesto, the leit motiv of which was that the Soviet system needed to be radically restructured if it was to become a truly developed society. In the course of his exposition of the present sad state of the Soviet system, Sakharov painted the following picture of Soviet underdevelopment:

". . . Any comparison [between the American and the Soviet economic systems] must take account of the fact that we are now catching up with the United States only in some of the old, traditional industries, which are no longer as important as they used to be for the United States (for example, coal and steel). In some of the newer fields, for example, automation, computers, petrochemicals and especially industrial research and development, we are not only lagging behind, but are also growing more slowly, so that a complete victory of our economy in the next few decades is unlikely [the necessary logic would seem to require the word "impossible" rather than "unlikely"]

"We must bear in mind the ski-track effect, in which the Soviet Union adopted principles of industrial organization and technology and development previously tested in the United States. Examples are the method of calculating the national fuel budget, assembly-line techniques, antibiotics, nuclear power, oxygen converters in steel-making, hybrid corn, self-propelled harvester combines, strip-mining of coal, rotary excavators, semi-conductors in electronics, the shift from steam to diesel locomotives, and much more."

Andrei D. Sakharov, Progress, Coexistence and Freedom, translated by the New York Times, edited by Harrison E. Salisbury, New York 1968 (italics mine).

Sakharov's updating of his manifesto in June, 1970, gave him the opportunity to spell out even more precisely how unbridgeable the gap is which separates the Soviet economic system and Soviet technology from that of the United States:

"Comparing our economy with the economy of the United States, we see that our economy lags not only in quantitative but also--which is saddest of all--in qualitative respects.

"The newer and more revolutionary an aspect of an economy is, the greater is the gap between the United States and ourselves. We surpass America in the mining of coal, but we lag behind in oil drilling, lag very much in gas drilling and in the production of electric power, hopelessly behind in chemistry [an industry which is an absolute infrastructure prerequisite for building atomic and hydrogen bombs], and infinitely behind in computer technology [an absolute infrastructure prerequisite for nuclear weapons delivery systems, and for all advanced missilery and avionics].

"The last is particularly pertinent, for the introduction of computers in the national economy is of crucial importance for fundamentally changing the entire face of the productive system and of the whole culture. This phenomenon has deservedly been called the second industrial revolution. Incidentally, our total inventory of computers is hundreds of times smaller than that of the United States, and as regards the use of computers in the economy, the gap is so wide that it is impossible to measure it.

"We simply live in another epoch."

Saturday Review, June 6, 1970, p. 26 (italics mine)

What conclusions are we to draw from such expressions as "lagging behind," "lagging very much behind," "lagging hopelessly behind," "lagging infinitely behind," "gaps so wide that they cannot be measured," "simply living, economically and technologically speaking, in another epoch"? What kind of image is conjured up when Sakharov tells us that the Soviets are hopelessly behind in chemistry and infinitely behind in computer technology? What indeed does a chemical factory in the Soviet Union look like if it is hopelessly behind a du Pont or an Imperial Chemical? What does a chemical industry hopelessly behind produce? What exactly does a computer installation infinitely behind look like? What kind of computers does it produce? What can a computer infinitely behind American or British computers do? Does one measure calculations by the seconds, by the minutes, or by the hour?

With images such as these, planted in our heads by Sakharov, would we not picture the Soviet Union to be a relatively underdeveloped economic system, moving slowly out of primary industrialism to the stage of automobile technology--a technology, it should be stressed, ^{which} is imported almost in its totality from the West, as the Kama River plant so strikingly confirms. Would we not have to conclude that the Soviet Union does not even have the minimal infrastructure for atomic and hydrogen bombs or for sophisticated weapon systems, much less the incredibly sophisticated high technology, as

represented by such awesome computer systems as in the U.S. Defense Department's Iliac IV, which can store in its Unicon laser memory one trillion bits (see Stefan f. Possony, "The Real Revolution in Warfare: The Computer Impact," Orbis, 1974, p. 855).

With these assumptions in mind, namely, that the Soviet Union simply has neither the minimal infrastructure nor the highly advanced technology required to develop truly sophisticated weapon systems, we would have anticipated, rather than have been taken aback, when only a year or so ago the MIG-25, which had been proclaimed by no less an authority than the U.S. Secretary of Air to be the most highly developed and the most sophisticated military plane in the world, turned out, when taken apart by American experts, to be an utterly obsolete plane using a computer built with vacuum tubes! The vacuum-tube computer was matched in its backwardness by a whole array of other obsolete features, such as the use of pre-titanium metallurgy.

Here, surely, there is compelling evidence that for several years the image in our heads of an MIG-25 bore no relationship to the MIG-25 as an operative aircraft. The overwhelmingly majority of even the most sophisticated Americans had been effectively convinced that the Soviet Union's air force was more than a match for the American, and were reinforced in their belief that the Soviet Union was a superpower indeed. Had anyone prior to the dismantling of a real MIG-25 have questioned the ability of the Soviet system to build the ultra sophisticated kind of plane that the MIG-25 was touted to be--on the grounds that the Soviet Union does not have the minimum infrastructure or the advanced technology that such a super plane would require--his reasoning would have been brushed aside as at odds with the "facts." Yet this reasoning, ^{would have} turned out to be flawless. The MIG-25 revealed that Sakharov was leveling with us when he said that insofar as advanced technology is concerned, the Soviet Union is hopelessly behind the United States and, as far as computers are concerned, the Soviets live in another epoch.

If, then, the majority of Americans could have for several years carried around in their heads false images of the MIG-25, how can one preclude, in principle, that equally false images maintain the ongoing belief that the Soviets are a superpower.

Recently, in The Diffusion of Power (New York, 1972), Walter Rostow, who had served as the National Security Advisor to President Johnson, revealed that Khrushchev had carried out an aggressive foreign policy based on--and these are Rostow's words--"fictitious ICBM's allegedly targeted on the United States."

Rostow then goes on to clarify this astonishing statement:

"The simple fact is that Moscow decided in 1957 not to produce ICBM's on a large scale, that the Soviet leadership was decided that it would proceed to project to the world, for political and psychological purposes, the image of a rapidly growing, even massive, ICBM capability."

So successful was Khrushchev's projection of a false image of Soviet power--an image, it should be stressed, reinforced in the United States by the media--that "the upshot was . . . that, as of 1960, most of the world citizens believed that the Soviet Union had outstripped the United States in strategic nuclear capabilities."

Ibid., p. 25, italics mine.

Rostow likewise reveals how far off "numerous persons having intimate knowledge of the defense effort" were in their "misestimate" of the so-called missile gap. He shares with us the following table (p. 616) drawn from Horelick and Rush, Strategic Power and Soviet Foreign Policy (Chicago, 1966), p. 51, n. 7:

	USSR ICBMs	US ICBMs
1960	100	30
1961	500	70
1962	1,000	130
1963	1,500	130
1964	2,000	130

Just pause for a moment to think through what we have here. Those having an intimate knowledge of the defense effort throughout a four-year period firmly believed that the Soviet Union had gone from 100 ICBMs to 2,000 when all along, according to Rostow, the Soviet Union had only fictitious ICBMs! If, then, an image so stunningly false could function as though it were true--that the Soviet Union was believed by many to be beyond the United States in its nuclear capability--can any of us delude ourselves with the notion that there is any limit to either the quality or the quantity of false images that we may believe to be true?

Walt Rostow's exposure of Khrushchev's fictitious ICBMs merely echo equivalent exposures of false images of prowess by top-level decision-makers. Thus, former President Truman, who was himself the source of the image of the Soviet Union as an atomic power, publicly proclaimed otherwise in an interview given shortly following his step-down from the Presidency. Here are his own words:

"I am not convinced the Russians have achieved the know-how to put the complicated mechanism together to make an A-bomb work. I am not convinced they have the bomb."

From the Cincinnati Enquirer, January 27, 1953
(Italics mine)

Truman's statement was a few days later confirmed by Dr. Arthur H. Compton, who had played a leading role in building the American A-bomb. He said that Russia had the scientific knowledge to make an atomic bomb, but whether she could "put a workable atomic bomb together is highly problematical." (New York Times, January 29, 1953).

Senator Hickenlooper, then a ranking member of the Joint Congressional Atomic Committee, who challenged Truman's statement, acknowledged at the same time that Mr. Truman knew what he was talking about. As reported in the New York Times of January 30, 1953, the Senator chided Mr. Truman for "glibly" referring to matters which had been made available to Mr. Truman on the basis of classified information.

When confronted with the barrage of criticism that his statement had unleashed, Mr. Truman, unflustered, simply brushed his critics aside with "nobody knows anything about it"--anticipating Kennedy's sharp distinction between those at the top who know and those on even the highest level below who do not know, and Kissinger's contemptuous references to the lower levels who toil away, implementing policies of which they have no knowledge. And given the fact that Mr. Truman's statement, though reiterated several times during the days that followed, quickly disappeared from the media, never to be revived again, is not his testimony one of those few gleaming points of truth which, as Churchill assures us, are often successfully obscured within clouds of testimony. The lack of Soviet know-how which Truman and Compton held responsible for Russia's inability to build an atomic bomb, was confirmed with precise data by former Secretary of Defense George Marshall, who in the course of giving testimony at the MacArthur hearings, revealed that the Manhattan Project was such a complex undertaking that it required 10,000 subcontractors. He then went on to assert that he did not think the Soviet Union had 4,000 subcontractors or even 2,000 subcontractors "in all of the U.S.S.R. with the skills that are required because of extremely refined tolerances involved"

Here, once again, as in the case of the fictitious ICBMs, we have evidence that a false image, namely, the picture of the Soviet Union as an atomic power threatening U.S. nuclear supremacy, was believed to be a true image from 1949 until January 27, 1953 when, for the first time, the Presidential source of that image publicly branded it as false. It would therefore seem to follow that no image is too false to be believed, even by the most sophisticated, so long as it is planted by a source deemed to be reliable and trustworthy.

Even as Truman revealed that, contrary to the images in our heads, the Soviet Union did not have atomic bombs as of January 27, 1953, so former Secretary of Defense Charles Wilson insisted, in the face of continuous prodding by Senator Jackson (July 2, 1956), that the Soviet Union had only a defensive air force built out of fear of the United States at a time when it was simply taken for granted that the Soviet Union had long since built a mighty armada. Likewise, former Secretary of Defense Wilson dissolved another firmly drawn picture of the Soviet Union as an H-bomb power when he flatly informed a committee of Congress that the Soviet Union had no dropable H-bombs
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The evidence cited above not only would seem to justify an on-going skepticism with respect to the status of the Soviet Union as a superpower, but would alert us to the need for focusing-in on the claims made for Soviet superpowerdom on whether the Soviet Union has developed an infrastructure that can breed, sustain and energize the highly sophisticated technologies which alone can produce nuclear weapons and delivery systems capable of matching those being produced by the United States and Great Britain. Such an infrastructure, as Sakharov has so strikingly testified, did not exist in 1970. The Soviets were then hopelessly, even infinitely behind the West in all areas of high technology. The U.S.S.R. was, as he phrased it, living in an entirely different epoch. In the light of Sakharov's testimony, are we to believe that in seven short years the Soviet Union could possibly have attained that rough parity and equivalence which the commentators would like us to believe?

The Soviet Naval Threat

The prevailing image of a mighty Soviet navy, nurtured year-in and year-out by the editor of the prestigious Jane's Fighting Ships, provides us with a fair test of our hypothesis. This hypothesis, briefly stated, affirms that since the Soviet Union does not have the minimal infrastructure to generate, sustain and energize the high technology required for a sophisticated naval fleet, the image of an awesome Soviet navy challenging the American navy for supremacy must necessarily be a false picture. Advocates of this hypothesis would anticipate that hard data, from the most impeccable sources, would from time to time surface, data which would reveal the Soviet navy as a navy only in the sense that it has floatables and submersibles. Far from being a mighty blue-water navy, the Soviet navy barely qualifies as a fleet capable of offering some token resistance in its own enclosed waterways.

Let us now take a look at some of this hard data.

In an article entitled "Superpower Rivalry at Sea" by Michael T. Klare (Foreign Policy, No. 21, Winter '75-'76) challenging Jane's Fighting Ships' depiction of the Soviet navy as an emerging major naval threat, he quotes Senator John Stennis as having written in 1974 as follows:

"The United States has over twice the tonnage of the Soviet navy in modern surface combatants, and our existing combatant ships have more range and weapons per ship than their Soviet counterparts." p. 165

Stennis further pointed out that one U.S. attack carrier singly and alone "contains more explosive charge potential, that is, more munitions, than the entire Soviet surface fleet of ships weighing one thousand tons or more." Furthermore, Stennis pointed out that the Soviet fleets contain no integral "underway replenishment" supply snips and thus cannot conduct sustained combat operations at

sea--"thus cannot conduct sustained combat operations at sea" is Klare's paraphrase of Stennis' statement (p. 165).

A remarkable navy indeed! Capable of mounting unsustainable operations at sea! What a threat to the American navy, limited to sustainable operations at sea!

Klare furthermore points out the following facts:

1. The Soviets do not have secure naval bases abroad; hence they would have to restrict overseas naval deployments should a war break out.

2. ". . . Nowhere does it [Moscow] have access to full-service installations that can compare to the United States naval facilities at Subic Bay in the Philippines, Yokosuka in Japan, or Rota in Spain.

3. The current U.S. ship-building effort "far outstrips that of the Soviet navy and ensures a larger, younger U.S. fleet in the 1980's."

(Ibid., p. 165)

Even more recently, on the eve of his appointment to head the C.I.A., Admiral Stansfield Turner, who had been Commander-in-Chief, Allied Forces Southern Europe, and had directed the Systems Analysis Division of the Chief of Naval Operations, and had also served as President of the Naval War College, in a remarkably illuminating article entitled "The Naval Balance" (Foreign Affairs, January 1977, pp. 339-354) confirms Klare's picture of the Soviet navy as no match for the American. Turner stresses the very distinction that we have continuously been stressing, namely, that there is no necessary relationship between subjective perceptions and objective realities. The fact that the Soviet fleet is believed to be roughly comparable to the American does not at all mean that the Soviet fleet operating in the waters of the world is in actuality comparable at all. Nonetheless, the psychological value of false perceptions is not at all to be minimized, since our judgments are determined by what we think to be true, not by what, in reality, is true. Such a psychological advantage, however, would dissolve, were the two fleets to become involved in a real, not a psychological, test of power. Here is the way Turner puts it:

" . . . Whether or not any particular force succeeds in influencing the actions of others will depend on subjective perceptions, which may be based on numbers [that is, quantity, not quality], on superficial appearances (size of snips, new vs. old, etc.), on techniques of employment or simply on the rhetoric which accompanies the fleet's arrival. That perception may or may not be an accurate appraisal of what would happen if shells started flying. But if the bluff is called and fighting ensues, [naval] presence has failed and must be succeeded either by combat or by backing down." (pp. 345-346)

Turner then goes on to stress the distinction between the potential of the United States navy as against that of the Soviet navy in carrying through a "presence mission":

". . . U.S. naval presence can threaten a full-range of capabilities, both projection of power and sea denial. Soviet naval presence can threaten only sea denial . . . realizing that they are dealing with perceptions, they [the Soviets] are gaining maximum advantage from the fact that any change is news. Small improvements in capability can be touted to the unsophisticated as big ones. The new Kiev-class carriers, with only short-range V/STOL (vertical/short-taxi take-off and land) aircraft have far less projection capability than our aircraft carriers, yet they are being portrayed by the Soviets as full-scale aircraft carriers. Change creates the impression of improvement as the Soviets move from little to more." (p. 346) (Italics mine)

Turner then goes on to point out that it is not at all surprising that when the United States navy "constricts and draws back from traditional deployment patterns" at the same time that the Soviet navy deploys forces so as to demonstrate a naval presence, as in Angola, Mozambique, the Indian Ocean and West Africa, such moves would seem to confirm the Soviet claim that the United States is a declining sea power, while they ^(the Soviets) are a growing and restive one. "The invalidity of that claim," Turner reassures us, "is academic if it is universally believed." (Ibid., italics mine)

This belief in a false claim is, according to Turner, abetted by the dynamics that underlie the efforts on the part of naval spokesmen to guarantee that the budgetary needs of the Navy are approved by Congress:

"To insure adequate appropriations for war-fighting needs, our leaders point to the Soviets' naval expansion, their increasing presence in former Western preserves and their dedication to further naval growth. Some distortions are inevitable when complex issues are distilled and simplified for clarity and ease of general understanding; the formidable qualities of the threat are stressed; the available means to counter it perhaps slighted . . . a doomsday picture convincingly drawn for a Congressional budgetary committee may negatively influence other nations' perceptions of our naval effectiveness. And a few extra ships in the budget or at sea may not be enough to overcome an inaccurate perception of weakness." (Ibid., italics mine)

Turner concludes his section dealing with the "presence" role of naval power by reminding his readers that the distinction between subjective perceptions and objective realities disappear when navies square off for battle:

"To sum up: balance in the presence role is based objectively on ships, aircraft, guns and missiles, and subjectively on ideas and impressions. Ultimately, however, genuine war-fighting capability remains essential: if the balance becomes truly unfavorable, beholders will be fooled for a while only." (pp. 346-47, *italics mine*)

No less illuminating is Turner's exposure of the numbers game, a game which counts the floatables and submersibles of the Soviet Union and the United States without regard to what the floatables and submersibles can do:

". . . An historic fixation with the numbers game, stemming from the naval treaties of the 1920's, mires public discussion in fruitless debate on the wrong issues. That the United States built 122 ships of 3,000 tons in the last 15 years and the U.S.S.R. only 57, as recently reported, has no meaning by itself, other than to refute another set of illogical statistics, such as was recently reported in a respected news magazine, that the Soviet navy totals more than 3,300 ships and the United States navy 478. This latter comparison requires counting every 75-foot tugboat and barge and comparing it to who knows what." (p. 352, *italics mine*)

What are the inferences which we can legitimately draw from Turner's distinctions between subjective and objective, between perception and reality, and between the rhetoric of power and the clout of power? It would seem that we would have to acknowledge that the Soviet navy, as pictured, bears no resemblance to the Soviet navy as a fighting force. It is Turner--former Commander-in-Chief, Allied Forces Southern Europe, former Director of the Systems Analysis Division of the Chief of Naval Operations, former Commander of the United States Second Fleet, and former President of the Naval War College and now the Director of the C.I.A.--who reveals this, and not some news commentator or broadcaster or academician or a politician scrounging for votes. It is Turner, a former admiral, a commander of a fleet, and not some ivory tower theoretician far removed from the day-to-day exposure to the seas and their hazards and the oceans and their challenges. Turner knows the difference between a blue-sea navy, which is at home in all of the seas and oceans of the world, and a navy whose experience has been limited to inland and coastal waters. It is this Turner who is telling us in no uncertain terms that the Soviet navy is not comparable to the American navy and that the image most of us have in our heads of the Soviet Union as a super-power is, insofar as Soviet naval clout is concerned, a false image.

Turner and Stennis have dismantled for us the image of the Soviet navy as a super navy. The geographical location of the Soviet Union is no less revealing of the Soviet Union's strategic helplessness, super navy or no. A glance at a map of the world shows that there is simply no way for any Soviet ship to enter into any of the seas and oceans of the world without passing through narrow straits and

inland waterways which can be easily blocked off by any naval power controlling the strategic choke-points through which all Soviet ships must transit. There is simply no way that any Soviet naval vessel can reach the Mediterranean or the North Sea or the Atlantic and Pacific Oceans unless the United States and/or Great Britain gives assent. The Russian navy must not only pass through the Dardanelles, but also through the island-clogged Aegean Sea before it can reach the Mediterranean. Soviet ships must pass through the Skaggerac before entering the North Sea and then, as any map of the world reveals, she must pass within easy range of the British navy over vast stretches of water before she is finally "free" to display her naval presence on the high seas.

Equivalent obstructions beset the Soviet navy whenever it seeks access to the Pacific from its port at Vladivostok. The Soviet navy can thus be bottled-up and denied access to the seas and oceans of the world should the United States and/or Great Britain decide that their vital interest requires it. This strategic advantage is briefly but unmistakably alluded to by Turner: "Beyond these assessments of relative capability, we must delve further to ask whether any technical, geographic, or other non-naval factors offset numerical force trends." (p. 353, italics mine)

The U.S.S.R. As a Mini-power: The Implications

What are the implications to be drawn from this restructuring of the Soviet image--a restructuring necessitated by the array of evidence spelled out above? First and foremost, such a restructured image alters the calculus of world power. It means that in any crisis situation the Soviet Union can act as a superpower only to the degree that the United States and/or Great Britain allow it to do so. The Soviet fleet can show its presence in the Mediterranean only if one of the two great naval powers controlling access to the Mediterranean allows her to do so. The Soviet navy can make its presence felt off Angola only if the United States or Britain wishes her to. The Soviet Union can show the flag in the Indian Ocean only if the United States or Great Britain clears her ships through the narrow straits and passages which must be navigated prior to entry into the Indian Ocean.

Of this, at least, we can be certain: the Soviet navy can function in the seas and the oceans of the world only if or when the United States or Great Britain regards such a presence as in some way helpful, psychologically and image-wise, in pursuing her own self-interest. Whenever the Soviet Union appears as a threatening actor in a Middle Eastern or African or Asian or South American scenario, she is following the script prepared by either the United States or Great Britain. For though the Soviet Union has no independent access to the seas and oceans of the world, she does have access via one or the other of the great naval powers which is able to sufficiently threaten the other naval power from disbaring the client state, the Soviet Union, from the seas and oceans.

And if, along with our reassessment of the Soviet navy, we also reassess our evaluation of the Soviet MIGs (ala the MIG-25) and the Soviet tanks* and all of the other highly touted Soviet weapon systems, we would be compelled, would we not, to recognize that the Soviet Union cannot be threatening Israel as though the Soviet Union were a superpower? Indeed, we would come to quite contrary conclusions, namely, that since the United States arms Israel with highly sophisticated American weapons, the Israelis are not only more than a match for her Soviet-armed Arab neighbors, but have the armed resources to beat off the Russians were they to directly attack Israel with their "fictional" ICBMs, with their obsolete MIG-25s, with their T-62 modified 1948-vintage tanks, and their tugboat-drawn naval fleet.** We would perforce have to look elsewhere for that superpower which could either directly or through her client states threaten the existence of Israel. And the only superpower that would seem to qualify is Great Britain. By contrast with the Soviet Union, Britain is an awesome nuclear power, with four Polaris submarines and nuclear bombers poised only a few hundred miles away from Israel on airfields located in the two sovereign enclaves which Britain possesses on Cyprus, plus whatever intermediate-range missiles she might also have emplaced in these bases. Furthermore, Britain is the power which has always had the greatest stake in the Middle East and which has most to lose from any permanent settlement which would speed up the pace of modernization and Westernization throughout this area. It was Britain which created the artificial entity, Jordan, to serve her strategic interest--a state which to this day must still be reckoned among Britain's client states. We know, too,

* "The T-62 is really a T-54 tank [first manufactured in 1948] that has been modified a little here and a little there . . . it has the same engine in it that the Soviets had in their tanks in World War II . . . I have been in a T-62 and it has a very cramped turret, and you have to be a left-handed midget because you have to load the darn thing from the wrong side of the breach . . . if they run out of left-handed midgets in the Soviet Union, they are going to be in big trouble with the T-62." Lt. Gen. Daniel O. Graham, former Director of the Defense Intelligence Agency, in testimony before Congress in 1975 on Soviet military capabilities, cited in the Defence Monitor, Volume IV, No. 10 (December 1975), p. 6.

** In the July 10, 1977 issue of The Cincinnati Enquirer, there was reprinted a report from the Los Angeles Times which reveals that the large Soviet naval craft is tugged for thousands of miles to establish the presence of the Soviet navy in the Indian Ocean. First, this towing was attributed to Russian ships breaking down, but subsequently the realization dawned upon American naval officers that "this was part of their standard operations procedure in these waters." In several instances the Russian ships cast off the tow lines when other ships crossed the horizons, giving the appearance that the vessel was steaming normally. As one American naval officer, empathizing with his Soviet counterparts, put it, "the captains and crews can't like it. You can't feel very 'blue-water navy' when you are being pulled along by a tug."

that the British were humiliated by the joint collaboration of the United States and the Soviet Union at the time of the Suez crisis of 1956, when Britain's efforts to regain her control of the choke-point of choke-points was frustrated. Nor should we overlook the fact that billions of Arab petro dollars are deposited in London banks and serve to undergird sterling as a reserve currency. Israel's existence is thus precarious so long as Britain blocks a permanent Middle East settlement. When, therefore Carter and Brezhnev announced that they were willing to urge their clients to sit down at Geneva, it was indicative of some willingness on the part of Great Britain to urge the elements under her control to move towards a settlement. Such a willingness on the part of Great Britain may have followed on, as pointed out above, an American willingness to allow the British to take the lead in working out a Rhodesian settlement along the lines most favorable to British interests in Southern Africa.

But an agreement to consider a Geneva meeting does not guarantee that such a meeting will take place. Every inch of the way involves a struggle on the part of both Britain and the United States to secure for themselves the best possible hand. Each side seeks to raise the ante as it takes advantage of the day-to-day alteration in the calculus of power. Hence there is threatening, there is blustering, there is give and take. And always in the background is the ominous option of nuclear weapons, should some unmarked line of vital interest be prematurely crossed. And all of these maneuvers are successfully obscured by the need to preserve the facade of an American-Soviet conflict, lest a direct confrontation between two nuclear powers lead inexorably to a nuclear showdown.

Unravelling the Mid-East Tangle

It is extremely difficult to decipher all that is going on beneath the surface of events since there is no simple way of determining who are the friends and who the enemies. But once we have broken through to the knowledge that the Soviet Union is a mini-power and Great Britain is a maxi-power, we have radically altered the basic parameters enclosing the recurrent Middle East crises. However unclear the day-to-day maneuverings may be at the lower levels, we can be confident that they represent a working-out of the larger, more fundamental conflict--the global civil war between Great Britain, as the defender of the turf which she staked out for herself during the years of her imperial expansion and which still serves through the Commonwealth system and the sterling bloc as the major source of income and wealth, and the United States, the challenger of a British imperial system and the champion of the developmental principle underlying American transnational global capitalism. It is because the Middle East has played and still plays for Great Britain so vital a role, that Israel's security is still precarious--and for the following reasons:

1. Strategic. As challenger, the United States must find a way, hopefully short of nuclear war, to divest Britain of the strategic stranglehold which she still exercises over the strategic keys that lock the seas and the oceans of the world. Control of these keys give Britain a bargaining power far greater than her economic and her military strength would allow, since the control of such choke-points as Gibraltar can be exercised without the need for vast garrisons or large contingents of soldiers, sailors or marines. Very recently, it will be recalled, a few jet planes and a naval presence was sufficient to ward off Guatemala's efforts to take over Belize--and this in the Caribbean, right under our very noses. Indeed, so effective has Britain been in holding on to the choke-points that, to date, Suez is the only truly vital choke-point that is not directly in British hands or in the hands of client states. All of which simply reechoes Harold Macmillan's crisp reassurance to his diary at the time of the Cyprus settlement: "But we only need our 'Gibraltars'."

From Harold Macmillan, Riding the Storm, p. 692.

The loss of Suez--the choke-point of choke-points--in 1956, was accomplished only through a devious stratagem, devised by John Foster Dulles, which allowed for Nasser's take-over of the Canal by virtue of Dulles' refusal to go along with the Aswan Dam project. It will be recalled that Nasser retaliated not against the United States but against Great Britain, and it also will be recalled that the United States firmly resisted all efforts on the part of Great Britain to regain control of the Canal even though this required bringing the Soviets in as partners with the United States to compel a British withdrawal. This stratagem went hand-in-hand with an even more devious stratagem involving the collusion between Nasser and Ben Gurion to expose the British intervention as a high-handed imperialist venture at the expense of Egyptian sovereignty. This collusion, though little-known, is evident from, among other sources, Dayan's recently published memoirs. He points out that the Israelis had established a defacto cease-fire by November 4, two days before Britain's timetable for military intervention to separate the two warring nations--an intervention which would have been justified by the terms of the Anglo-Egyptian treaty of 1955, providing that in time of war, Britain had the right to seize the Canal by force. The consternation among the British and French on learning of Israel's willingness to accept the cease-fire is vividly recalled by Dayan:

"The British and French representatives almost jumped out of their skins. For if both combatants ceased fire, there was no justification for Anglo-French intervention. For Britain, it removed the basis for her 'pretext' and added greatly to the difficulties of Prime Minister Eden."

(Moshe Dayan: The Story of My Life, Jerusalem, 1976, p. 209) For the provisions of the Anglo-Egyptian treaty of 1955, see p. 159.

So much for Israel's "collusion" with the British!*

The "collusion" with Nasser shows no such betrayal. Not only did Nasser retreat quickly to the Canal zone, but he handed over Sharm-el-Sheikh to the Israelis virtually without a fight--the total struggle for Sharm-el-Sheikh lasted 55 minutes--and yielded Ras Nasrani without any resistance whatsoever. Here is Dayan's eye-witness report:

"At first light on November 4, the reconnaissance scouts returned to the road block, to find that the enemy had abandoned its post. . . .

"The arrival of the brigade from the direction of Eilat was a complete surprise to the Egyptian command. . . .

"The column reached Ras Nasrani, about three miles north of Sharm-el-Sheikh, and found it empty. . . .

"The fighting for Sharm [Sharm-el-Sheikh] was hard and lasted 50 minutes. . . .

* The British hostility to Israel was intense, even during those delicate discussions, kept secret for more than a decade at Sevres, between Ben Gurion and Selwyn Lloyd, during which the British were seeking to have Israel become involved in a war with Egypt so as to offer the British a "legal" pretext. Here are Dayan's own words:

". . . . Britain hated the very idea that her name might possibly be smeared as partners with Israel in military action against Arabs, but at the same time she would welcome the chance of exploiting Israel's conflict with the Arabs to justify her action against Egypt. The most desirable development for Britain would be an Israeli attack on Egypt. She could then rush to Egypt's defense and drive out Israel's forces, and since British troops would then find themselves in the Suez area, they would automatically stay to control the Canal. The Foreign Office was convinced that under such circumstances, no one could accuse Britain of being either anti-Arab or the aggressor.

"Moreover, Britain wished us to fulfill this exalted function of villain or scapegoat, without her having to meet us and discuss it face to face. She knew that the very act of our sitting together would carry the implication of 'treaty-making'--albeit limited to one-time action against Egypt--which would be highly unpopular in the Arab world. The British therefore wanted France to be their insulated link with Israel. Through France they would get us to do what was desirable for Britain while guaranteeing them [Britain] freedom from contact with Israel."

(Ibid., p. 161)

"By 9:30 A.M., November 5th, surrender came from the last Egyptian outpost in Sinai--Sharm el-Sheikh."

pp. 215-216

Ben Gurion and Nasser, both thorns in Britain's imperial crown, had preferred collusion with each other, whatever their differences might have been, to the loss of national independence, which would have followed on a triumphant British return to its role as arbiter of the destiny of peoples and nations of the Middle East. And since we have no alternative but to accept either Israeli collusion with the British or Israeli collusion with the Egyptians, which of the collusions is the more credible, in view of the fact that the United States had been the power most responsible for both the liberation of the Israelis from the British and the liberation of the Egyptians, under Nasser, from the British, and in view of the fact that the United States, Israel and Egypt stood to gain from Britain's loss of the choke-point of choke-points, Suez?*

If we now turn to the second Suez crisis, the Six-Day War, we once again are confronted with a closure of the Canal, which dealt a harsh blow, not to the United States, but to Britain. Unlike the United States, Britain was and is dependent for virtually all of its raw materials, including its food supply and oil, on the goods which are produced, in good part, in those countries East of Suez. As Julian Amery phrased it ("East of Suez Up for Grabs," The Reporter, December 1, 1966):

"Half of all Britain consumes comes from overseas.
Half of all Britain makes is sold overseas. Besides this visible trade, there is a vast invisible trade: the pro-

* Wasn't Ben Gurion alluding to his collusion with Nasser when, on the occasion of Nasser's death, he expressed his sadness to John M. Roots ("David Ben Gurion Talks About Israel and the Arabs . . .," Saturday Review, April 3, 1971): "'I often felt,' he /Ben Gurion/ recalled, 'that if he /Nasser/ and I could have sat down together, we might have settled everything between us. He was by far the greatest of the Arabs. He was the one man, and Egypt the one Arab state, strong enough to make peace.' Turning to the window, he spread his hands in a gesture of resignation. 'And now he is gone,' he said with emotion. 'What a pity he had to die.'"

Note also should be taken of Dayan's flat affirmation that, unlike the British and the French, Israel's objectives did not require Nasser's fall from power. So long as Israel was able to guarantee freedom of shipping to Eilat and was able to put a stop to terrorist operations launched from the Gaza Strip, she could make peace with Nasser. And when the settlement of the '56 War was reached, Israel's aims, unlike those of Britain, were achieved.

ceeds of shipping, aviation, banking, insurance, consultancies, licenses, agencies, and, above all, overseas investments. In a few cases--e.g., South Africa--the return on invisible trade is even greater than on the visible. Taken together, the receipts on visibles and invisibles provide half the earnings of the British people, and it may be more than half the government's revenue. British living standards and British social services are wholly dependent on them. So is sterling.

"The gold reserves of the Bank of England are not much larger than the reserves of a giant American corporation. But the real backing for sterling is not gold. It is Britain's overseas investments, whether in government or private hands. The total value of these investments is unknown. Many are not quoted or could not find a ready market. But the British overseas investment in quoted securities that could be easily realized is at least 35.6 billion dollars.

"If by peaceful means Britain were deprived of its overseas investments, if it were denied access to world markets and raw materials, its economy would collapse just as surely as the U-boats were at sea again.

"Some two-thirds of British overseas investments are 'East of Suez.' So are some two-thirds of its trade. East of Suez are the countries that lie in an arc around the Indian Ocean. They stretch from Australia and New Zealand through Malaysia, India, and Pakistan, across to the Middle East, and then down the East African coast to South Africa. Australia, Britain's most important trading partner after the United States. In two of the post-war years, Malaya's rubber and tin exports earned more hard currency than did the exports of the whole of British industry. The British investment in India and Pakistan is immense. The Middle East is Britain's main supplier of oil. South Africa is Britain's third most important trading partner. South African gold, diamonds, and uranium make it the Fort Knox of the sterling area. . . ." (Italics mine)

The closure of the Canal during the 1967 War thus did not merely raise the shipping costs and the time-lag for the importation of oil, but also for the importation of all of those vital commodities that moved out of the Indian Ocean or up the Eastern coast of Africa to transit the Canal as the shortest distance to Britain. The most immediate consequences of the closure of the Canal was thus the need to snell out twenty million dollars a month to meet the higher cost of transport and shipping. Here is how Harold Wilson, British Prime Minister at the time, assessed the economic consequences following from the blocking of the Canal:

"The economic consequences of this June week were extremely serious for Britain. The closure of the Canal alone . . . was costing Britain 20 millions a month on our balance of payment. No less serious was the loss of Middle East oil. We had to seek to replace this from other areas at a higher price and, in the main, at much higher freights . . . we had to shop for supplies in the United States and Latin America, at high cost, high freights, and in competition with other hard-hit countries

"The crisis was a serious blow. By early autumn, with other difficulties arising, it seemed almost a fatal one to our economic recovery. Exports, the balance of payment and sterling were all strong before the Six-Day War. . . .

"The Middle East crisis of June, 1967 was the biggest contributing factor to the devaluation of sterling, which came five months later. Confidence in sterling was eroded by the War and further weakened when the monthly figures reflecting its consequences were published . . . without the impact and continuing effects of the Middle East crisis, we would have weathered these [other] disturbances [namely, damaging stock strikes and monetary maneuvering on the Continent] without a grave deterioration in the confidence in the pound. It was to be two years more and at heavy cost--economic, social and political--before we were able to regain our surplus position."

From A Personal Record, pp. 400-401

It is evident, then, that the closure of the Canal dealt a blow to Britain far beyond that dealt to any other power. Not only was this closure the major cause of the devaluation of the pound in the fall of 1967, but it was the occasion, once again, for humbling Britain in the eyes of her Arab client states and in the eyes of the less developed peoples throughout the world. With a kind of ironic poetic justice, the very purpose for which Britain had originally gained control of the Canal, namely, the opportunity which it afforded to block off the shipping and the naval power of nations threatening British hegemony, was effectively used against her by a petty power parading its newly-gained "sovereignty."

And if we ask ourselves how this mocking triumph over Britain was managed, we discern once again evidence of "collusion" between Israel, Egypt and the United States to punish Britain for her refusal to carry through on her solemn declaration that the Straits of Tiran were an international waterway open to the free and innocent passage of ships of all nations, including Israel.

Let us take a look at some of the evidence:

1. The U.S.-Israeli connection. Lyndon Johnson, in his memoirs, records the following conversation with Eban on the evening of May 20, 1967, only a few days before the outbreak of the Six-Day War:

"... All of our intelligence people are unanimous," I added, "that if the UAR attacks, you will whip the hell out of them. . . ."

"You can assure the Israeli Cabinet . . . we will pursue vigorously any and all possible measures to keep the straits open. . . ."

"... Toward the end of the session, choosing his words carefully, Eban asked: 'I would not be wrong if I told the Prime Minister that your disposition is to make every possible effort to assure that the straits and the gulf will be open to free and innocent passage?' I assured him that he would not be wrong. . . ."

"... If it came to a crunch, I believe that the American flag would have to sail the waters of Aqaba alongside Israel's and, we hope, many other flags as well. We had to prepare for that possibility and prepare urgently"

"... The reopening of Aqaba was important for several reasons--because hostilities were certain to erupt if it were not reopened; because of Eisenhower's solemn promise; and because Israel had a right to that access to the sea."

From The Vantage Point, pp. 293-95

Johnson further informs us that he carried through on his determination to undergird Israel's right of free and innocent passage by having the then Secretary of State Dean Rusk send cables to all American ambassadors in Arab capitals informing them that Israel would fight and that the United States would not hold her back:

"We cannot throw up our hands and say, in that event, 'Let them fight while we try to remain neutral.'" The central point involving the United States, the message [cabled by Rusk] said, was this: we cannot abandon, in principle, the right of Israeli flagships to transit the straits." (Ibid., p. 296)

2. The British disconnection. By contrast, Harold Wilson was adamant, on the eve of the Six-Day War, in his determination that Great Britain would not protect by force, if necessary, an Israeli ship seeking to pass through the strait. Here are his own words:

"The one thing we could not do would be to guarantee freedom of passage for an Israeli ship, short of escorting her with a British or allied warship. This was not in our plan, nor would such a rash venture find much international support. . . ."

From Harold Wilson, A Personal Record, p. 398.

5. Egyptian-Israeli "Collusion." It will be recalled that the Six-day War broke out because the Egyptians had reoccupied Sinai, the Gaza Strip, and Sharm el-Sheikh. Of these three reoccupations, that of Sharm el-Sheikh was the most provocative, since such an occupation would allow Egypt to cut off Israeli and Israel-bound shipping from access to Eilat northward and access to the Red Sea southward. The reoccupation of Sharm el-Sheikh involved, in addition, the testing of the British declaration, solemnly made, in March of 1957, prior to the Israeli withdrawal from Sharm el-Sheikh. Here is how Harold Macmillan recollected this assurance:

"On March 1, the Israelis, relying on Dulles' private assurances that their conditions would be enforced [the American connection], announced in the United Nations their willingness to withdraw both from Gaza and their position on the Gulf of Aqaba. At the same time we [the British] made a formal declaration in New York, stating that we [the British] regarded the Straits of Tiran at the entrance of the Gulf of Aqaba as an international waterway to which all nations had rights of passage. This view was supported in the United Nations by the American representatives. . . ."

From Harold Macmillan, Riding the Storm, p. 216 (italics mine)

A few days later, on March 7, Britain was rewarded for her recognition of the Straits of Tiran as an international waterway when both Syria and Egypt restored the pipelines carrying the oil so essential for Britain. (Cf. Ibid., p. 219.)

In view of the strategic significance of Sharm el-Sheikh, and in view of Egypt's cavalier dismissal of the U.N. presence, one would have anticipated that Egypt would have tenaciously defended Sharm el-Sheikh from the Israelis. Yet, no such tenacious defense took place. Instead, Sharm el-Sheikh was turned over to the Israelis without a fight. Indeed, when the Israelis arrived, there was no one there.

Here is the picture as drawn by Dayan:

". . . At 1:00 P.M. on June 7, helicopters carrying the paratroops reached Sharm. Flying around it, they saw two Israeli torpedo boats tied up at the quay. A naval force under Colonel Botzer had reached it at 11:30 A.M., found it empty, and put two detachments ashore. . . ."

"It was in this undramatic manner that the flag of Israel was restored to Sharm el-Sheikh, the blockade of the Gulf lifted, and one of the main objectives of the campaign gained."

From The Story of My Life, p. 291 (italics mine)

And the Israelis have been sitting on Sharm el-Sheikh ever since!

4. The Israeli-Syrian "collusion." No less startling is the way in which Syria's virtually impregnable stronghold at Kuneitra on the Golan was evacuated prior to the arrival of the Israeli detachments. Like Sharm el-Sheikh, the Israelis found Kuneitra to be empty! Once again I share with you the picture as drawn by Dayan:

"At the start of the operation, the Syrian front line appeared impregnable. From their commanding and well-fortified position on the heights, the Syrians completely dominated the narrow routes up to the steep escarpment our forces had to use, so that they were impounded by artillery before they could get anywhere near the enemy. . . .

"On the second morning, Saturday, June 10, our forces found the Syrian positions empty. The enemy had abandoned them in panic during the night, leaving their anti-tank guns and heavy and light machine guns behind. The defeat of the previous day and the ceaseless bombing by the Israeli Air Force had broken their spirit. Especially destructive to their morale was the announcement by their own Damascus radio that we had captured Kuneitra. The Syrian Government, realizing its desperate plight, had issued this announcement at 8:30 that morning in order to spur the Security Council to adopt a cease-fire resolution. In fact, at that hour, no Israeli soldier was in sight of the city. As soon as the Syrian troops in the field heard the news of Kuneitra, they began to flee, and there was therefore no point in continuing to hold it.

"Toward noon, when our troops reached Kuneitra, Massadah, and Butmia, the final targets in the conquest of the Golan Heights, they found them empty."

Ibid., pp. 302, 303
(italics mine)

5. The denouement. The Six-Day War gave Nasser the occasion for blocking the Canal, which had the most devastating consequences for Great Britain, economically--because it disrupted the normal patterns of trade East of Suez and cut off her major source of oil supplies--and strategically--because it compelled British warships to circle the Cape of Good Hope in order to gain access to the Indian Ocean and the Persian Gulf! By any reckoning, then, Britain was the defeated power when the Six-Day War came to an end, even as Israel was the most obvious victor since, when the war was over, she was in control of Sinai, the Gaza Strip, the Golan Heights, and Sharm el-Sheikh. But would Israel have been victorious had she not found Kuneitra, Massadah, Butmia and Sharm el-Sheikh empty! Did Israel take away these territories from the Egyptians and the Syrians or were they lent to her by Syria and Egypt, both of whom had a vital stake in the undermining of British influence and power in the

Middle East. * And if these territories were lent to Israel by Syria and Egypt, would not a day come when they would have to be returned?

* If this hypothesis is correct, then the only real war was the bitter one fought with the Jordanians for Jerusalem.

It should be pointed out that since collusion, by definition, assumes that those colluding are not known to be colluding, skirmishes do occur in which soldiers and civilians lose their lives in very war-like battles. Without such skirmishes and battles, the collusion would be patently evident to all. This is truly a tragic dimension of the seething tumults accompanying the transition from the sovereign nation-state stage of human development to the transnational stage. As yet, even those statesmen who are seeking to build a transnational world community do not seem to know how to accomplish this without pain, suffering, anguish and violent death. Confronted by powerful forces armed with nuclear weapons, and which forces have a vital stake in preserving nation-state imperialist systems, American statesmen, seeking to construct a more humane world order, frequently must choose between a nuclear holocaust, with a human toll in the tens of millions, and collusive, covert operations which drastically reduce the loss of life and limb. This kind of stark choice may be dodged by ethical and moral philosophers, theologians and religious teachers, but must be faced head-on by the President, his counsellors and his advisers. . . . Day-in and day-out, hour-in and hour-out, minute-in and minute-out they must choose between overt and covert, between truth and deception, between awesome weapons and adroit diplomacy in their efforts to out-power, out-wit and out-maneuver statesmen no less committed than they to the preservation of the kind of world which nurtures and sustains not only their economic, but their spiritual well-being. To put it as concretely as possible, if it is desirable that all the nations in the world, including Israel, have the right to free and innocent passage through all the straits, channels and narrow waterways of the world, is it preferable to court a nuclear confrontation to attain this, when collusion between seeming enemies can move toward this objective with a relatively small loss of life? Which of these alternatives would you choose if you were the President or the Israeli Prime Minister? The answer, I suspect, is obvious so long as one does not forswear ever exercising decision-making power in a sovereign nation-state. But so long as one freely chooses to exercise such decision-making authority in the pursuit of constructive goals, would not such a person be judged by the degree to which he or she used the least amount of coercive power and the least amount of falsehood and deception required to offset the triumph of some greater evil? Thus, for example, the Nazi bombing of Rotterdam would be viewed as far more evil than the allied bombing of Hamburg even though the saturation bombing of Hamburg was far more devastating and horrible than that of Rotterdam. But with this proviso--that at the time the decision was made there was not available a less destructive option which would have attained the same end, namely, the defeat of Hitler.

How easy it would be to do the good if there were no evil to be overcome.

The dawning of that day seems to have begun with the outbreak of the Yom Kippur War. This war differed from the Six-Day War and the 1956 War in that instead of the Israelis winning another lightning victory, they were taken by "surprise" and in the first phases of the war suffered severe setbacks. For these setbacks, neither the Israelis nor American Jewry nor, for that matter, most of the peoples of the world were prepared. The image of Israel had been one that allowed only for miracle victories, and not disastrous defeats.

For those of us who had already concluded that Israel had "colluded" with Egypt, Syria and the United States so as to undercut British power and influence in the Middle East, and to press for the recognition of the Straits of Tiran as an international waterway, the setbacks of Israel in the Yom Kippur War were no more surprising than the miracle victories in the War of '56 and in the Six-Day War. As pointed out above, if Israel had been lent territories by Egypt and Syria, these territories at some time would have to be returned. Similarly, if the Israeli victories had been allowed by Egypt so that the Suez Canal might be closed to Britain, the Israelis would have to vacate the Canal area and much of Sinai once a settlement had been worked out between the United States and Britain which would carry with it the reopening of the Canal to British ships. Since, however, neither the Israelis nor American Jews nor the peoples of the world had any awareness of the collusion which had taken place, and since they had all believed that a real war had been fought,* it was hardly possible for Israel to give up Sinai or any other territory except through another war, in which Israel, rather than the Egyptians and the Syrians, would suffer major setbacks.

For those of us holding to this hypothesis, the Yom Kippur War and its immediate aftermath came as no surprise. Nor, it seems, did it come as a surprise to the top Israeli leaders. Thus, Dayan informs us in a stunning non sequitur: "The Egyptian and Syrian attack on Yom Kippur came as a surprise, though it was not unexpected," (The Story of My Life, p. 380), confirming the following New York Times report of October 31, 1973:

* We should like to reemphasize that we are fully aware that collusive wars which, in one sense, are not real, are, insofar as those who suffer loss of life, limb, property, psychic stress and anxiety, as real as any war can be. We should further emphasize that although rigorous analysis frequently requires the use of clinical language, a language which may give the impression that human lives and human suffering are of little or no account, the use of such analytical language does not reflect the sadness that we feel for every life lost, every pain undergone, and every tear shed for loved ones who will return home no more.

The reader is referred back to the previous footnote, which seeks, however vainly, to grapple with the tragic dilemmas of our turbulent times.

"As long as a year and a half ago, Israel had obtained detailed photographs of new roads leading to key crossing points on the western bank of the Suez Canal. Pictures also showed that bridge-building equipment supplied by the Soviet Union had been stored near each of the potential crossing points.

"Constructed near revetments were large regimental headquarter camps, complete with radar, tanks and ammunition-stocks, but manned by few persons. . . .

"United States officials now believe the Israeli Government knew twenty-four hours in advance that an Arab attack was imminent, but decided not to launch a pre-emptive attack for fear of alienating the United States and other Western nations." (Italics mine)

The Yom Kippur War thus seems to have set the stage for a round of negotiations with Great Britain, the outcome of which was the Sinai agreement and the opening of the Canal. In this regard it should be recalled that during the height of the crisis in the Yom Kippur War, Britain refused to allow the United States to use British air bases on Cyprus; refused to sponsor the cease-fire proposal, a proposal which so pleased Brezhnev, the "enemy," that he privately congratulated Secretary of State Kissinger on this "historic" proposal; and so aroused Kissinger's hostility that he was reported to have said to a Congressman, "I don't care what happens to NATO, I'm so disgusted"; and refused to endorse President Nixon's decision to put American forces on precautionary alert in the Middle East crisis.*

That there was more to the Yom Kippur War than appeared on the surface is evident from the fact that Egypt made no effort to recapture Sharm el-Sheikh, which, next to the Suez Canal, is Egypt's most strategically valuable territory. Instead, Egyptian moves centered on Sinai as though Sharm el-Sheikh was of no consequence. The Israelis sat there through the war unchallenged and, what is most

* Space precludes a full analysis at this time of Britain's role during the Yom Kippur War, an analysis which would point to the possibility that the nuclear alert ordered by Nixon was an alert to the detection of secret British moves which pointed to the possibility that Britain might be preparing to bring into play her nuclear deterrent forces. Perhaps in some subsequent issues of the Newsletter these possibilities may be explored. What is striking is that whereas the Soviet Union was immediately forgiven for arousing the specter of nuclear war, the relationship between Britain and the United States was still so cold that when Kissinger visited Great Britain in July of 1974--ten months after the Yom Kippur War had broken out--the British press virtually ignored Kissinger's presence and failed to report Kissinger's lighthearted affirmation that Anglo-American relations "have never been better." (Christian Science Monitor, July 7, 1974)

striking, the Sinai settlement does not even raise the issue of the right of the Israelis to remain positioned there. And this stark anomaly aroused virtually no speculation from the press, which persisted on focusing on Sinai and the Golan Heights and not at all on Sadat's failure to make any effort to regain so vital a strategic spot.

And if one reads carefully all of the provisions of the Sinai accord, one will note that it focuses on the issue of freedom of passage through canals, straits, etc. First, with respect to the free passage of Israeli cargoes through the Suez Canal:

"(5) The United States Government will not expect Israel to begin to implement the agreements [set forth above] before Egypt fulfills its undertaking under the January, 1974 disengagement agreement to permit passage of all Israel's cargoes to and from Israeli ports through the Suez Canal. . . ." (Italics mine).

Secondly, in section 14, the United States reiterates its principled support of the freedom of navigation through international waterways, including the Straits of Bab el-Mandeb and the Straits of Gibraltar. The text follows:

"In accordance with the principle of freedom of navigation on the high seas and free and unimpeded passage through and over straits connecting international waters, the United States Government regards the Straits of Bab el-Mandeb and the Straits of Gibraltar as international waterways. It will support Israel's right to free and unimpeded passage through such straits. Similarly, the United States Government recognizes Israel's right to freedom of flights over the Red Sea and such straits and will support diplomatically the exercise of that right." (Italics mine)

The text of the memorandum was published in the New York Times September 17, 1975.

The secret is out. The Yom Kippur War was "staged," insofar as Israel, Egypt and Syria were concerned, so as to prepare the way for the reopening of the Suez Canal not only to Britain, Japan, the United States and the other major maritime powers of the world, but to Israel as well. It was also "fought" so as to enunciate once again American commitment to the free passage of the ships of all nations through all international waterways, including Gibraltar and Bab el-Mandeb. The choice of Gibraltar could hardly have been fortuitous. In the middle of a Sinai settlement thousands of miles away from the Rock, United States negotiators linked up Gibraltar with Bab el-Mandeb as choke-points whose neutral and benign status needs international agreement and underpinning.

But before Britain gave her acquiescence to the Sinai settlement, she once again took a severe beating as the cost of oil spiraled and as the pound was shaken when Arab nations withdrew billions of dollars

in sterling deposits from British banks. As in 1955 and in 1967, Britain suffered a major blow. And that Britain was deeply involved in the Sinai settlement--indeed, played the decisive role in making the settlement possible--was revealed by Bernard Levin in the London Times of November 18, 1976:

"[Harold] Wilson claimed over the weekend that he had played an important --nay, crucial role--in the achievement of the interim agreement between Israel and Egypt over Sinai, which was concluded last year after Dr. Kissinger's efforts seemed to come to a halt. It seems that Sir Harold was in helsinki . . . for the International Conference on Security and Allied matters . . . and seeing the Middle East hung in a precarious balance, swiftly had a word with both President Ford and Mr. Brezhnev . . . his influence with the superpowers . . . sufficed to restart the faltering machinery, and an agreement between the warring nations was reached."

[N.B. All of the above was dictated prior to the dramatic staging of the Begin-Sadat reconciliation.]

The Sinai agreement proved to be but a prelude. For not long after the Suez Canal was reopened and an American civilian presence was inserted in Sinai, the United States stood idly by as Syria pummelled Lebanon and effectively finished her off as the pivotal financial center of the Middle East, paving the way for Israel's assuming this role. This was a major blow to the British, since Beirut was the hub of British financial transactions throughout the Middle East. In addition, Assad smashed the shock troops of the extremist PLO factions and, in taking over Lebanon, effectively sealed off the last free frontier--Egypt and Syria had already sealed off access to Israel--open to terrorist infiltration into Israel. Hence, when the take-over of Lebanon by the Syrians was completed, Jordan was the only front-line state which was still an enemy of Israel; that is, was in the British, not the American, camp.* Thus

* We have assumed, throughout our analysis, that Jordan is a British client state and that Hussein is Britain's most loyal head of state in the Arab world. This assumption is based on the fact that Jordan was carved out as an independent entity solely to serve Britain's strategic interest in the area. The British not only trained the Jordanian army, but were committed by treaty to come to the defense of Jordan should she feel herself attacked by Israel. In fact, on the eve of the '56 War (October 16), Eden requested the French "to do everything they could to make clear to Israel that an attack on Jordan would have to be resisted by us." (From Anthony Eden's Full Circle, p. 572). Indeed, so concerned were the Israelis that the British might link up with the Jordanians while the Israelis were fighting Egypt, that they used their less-experienced forces for the invasion into Sinai (cf. Eden, Ibid.). As Eden so succinctly put it:

when Carter and Brezhnev issued their joint declaration calling for the reopening of the Geneva conference, Israel was far more secure than she had ever been, with three of her "enemies" standing guard over Israel's sovereignty by closing off guerrilla access to Israeli territory.¹

In the light, then, of the evidence set down above, we would suggest that a fundamental strategic goal of the United States is to divest Britain of her control of the crucial choke-points of the world. And since Suez is the choke-point of choke-points and the one which, if closed, would be most hurtful to British economic, political and military interests, is it at all surprising that the United States would cherish Israel as her most reliable instrument in the Middle East to aid the United States in accomplishing her vital strategic objectives vis-a-vis Great Britain? And if to Suez we join the lesser, but by no means insignificant, choke-points--the Straits of Tiran and Bab el-Mandeb--is it not evident that the United States needs Israel to press for Israel's right to free passage through the Straits of Tiran

"To fail to carry out our engagement [to defend Jordan] would be the end of our position in the Middle East. . . ." (Ibid.)

Furthermore, Jordan is the only state adjoining Israel which did not undergo a revolutionary transformation of its political leadership. Hussein still represents the old feudal order which had been so supportive of Britain's hegemony in the Middle East. It is not surprising, therefore, that the Arafat contingents of the PLO should be viewed with such fear by Hussein since Arafat had emerged as a leader to overthrow Hussein, and not Israel. Should the Arafat elements in the PLO effectively smash or curb the extremist anti-Israeli factions and gain full control over a Palestinian homeland and/or state, Hussein's days would surely be numbered as his power within Jordan would be eroded. This fear, it will be recalled, prompted Hussein in 1970 to seek the eradication of Arafat's PLO with effective ruthlessness.

As for the ongoing role of the British, we cannot preclude the possibility that Britain has maintained an effective military presence in Jordan. The fact that Britain does not acknowledge such a presence does not mean that such a presence does not exist, since Britain never publicly announced that it had troops on the ground in Indonesia even though her troops were there (cf. David Owen [now Foreign Secretary], The Politics of Defence, New York 1972, p. 18). For all we know, then, British personnel may be operating highly sophisticated weapon systems continuously threatening Israel.

Although on the surface Jordan is frequently made to appear as benign vis-a-vis Israel, and somehow in the American camp, the fact that Carter chose to smear Hussein by exposing him as an American puppet, an expose that could only damage Hussein's image, not only in the entire Arab world but in the Third World as well, suggests that the United States considered Hussein to be very expendable.

and the Bab el-Mandeb Straits--rights absolutely essential for Israel's existence--as symbolizing the plight of all land-locked countries whose access to vital commodities is essential for their existence?

Indeed, the most fundamental struggle going on in the world today is the struggle between the United States and Great Britain over the choke-points, as is evident in the conflict now raging between Somalia (British) and Ethiopia (United States) for the control of Djibouti and Berbera, the ports overlooking the Horn of Africa. It is not surprising, therefore, that the Israelis are to be found alongside the Cubans, the Russians and the East Germans aiding Ethiopia in her efforts to hold back Somalia in the hope that the Ethiopians may yet turn the tables and take over the strategic areas overlooking the straits. This collusion is exposed at some length in the November 12, 1977 issue of The Economist:

"Question: Where can one find Israelis and Cubans in military collaboration? Answer: In Ethiopia. Oddly coupled, the two outsiders are both helping the Ethiopian regime in its war against its own rebels and Somali forces

". . . The Americans are actively encouraging Israel [so one theory holds] to continue its long military association with Ethiopia. At the beginning of the year, Israel is said to have wanted to reduce its commitment to Ethiopia since it found itself in the uncomfortable position of propping up the brutal Mengistu regime, alongside such comrades as the Russians, the Cubans and the Lybians. But with Djibouti becoming independent (and joining the Arab league), it was more important than ever for Israel that the Red Sea port of Massawa should be kept out of Eritrean (and thus Arab) hands. So the Americans were quite easily able to persuade the Israeli government to help raise and train two Ethiopian divisions.

"In the early summer, when Somali's advance into the Ogaden was assuming serious proportions, the Americans, it is said, again appealed to Israel. This time they argued that though it was important for the West to keep a foothold in Ethiopia, they themselves could not directly help the Mengistu regime because (a) it was so closely tied to the Soviet Union, and (b) Saudi Arabia and Egypt openly supported the Somali side. Reluctant or not, Israel responded by supplying the Ethiopians with Russian tanks, armoured personal carriers, rocket launchers, small arms and ammunition, all of which had been captured from the Egyptians and the Syrians in the 1973 Middle East war. America footed the bill.

"Ethiopian soldiers were taken to Israel to be trained as tank crewmen and to operate anti-aircraft defence systems: Israeli technicians in Ethiopia began in instruct-

ing Ethiopians in the maintenance of American M-60 tanks and F-5 fighter aircraft. These projects are continuing. There have been strong denials from the Ethiopian government that it is getting any military aid from Israel, but there is no doubt that it is so. The question is whether this help is given out of self-interest or responds to American pressures, or both. . . .

"After the 1967 Arab-Israeli war, Ethiopia followed the majority of other African states in severing diplomatic ties with Israel. However, Israeli officers stayed at their posts. Israeli-Ethiopian connection survived the Emperor's downfall and a subsequent bloody struggle for power." (pp. 60-61)

The British tie-in with the Somalis was recently confirmed when the Christian Science Monitor (October 25, 1977) reported that it was, in response to an appeal from the British Foreign Office, that the German commando troops were allowed to use Mogadishu to stage their operation against the hijackers of the Lufthansa plane.

Indeed, the successes of the Somalis have so upset the American timetable for the settlement of the Bab el-Mandeb Straits issue, that it is responsible, we suspect, for the disarray which has unsettled the Panama Canal treaty prospects. Although the United States, in principle, seeks to abolish national sovereignty over the choke-points and to substitute in its stead some kind of international control, it is not ready to relinquish its control of the Panama Canal until the principle is universally applied.

Insofar as the current Middle East situation is concerned, it now appears, in the light of the Sadat-Begin breakthrough that the United States may have decided to separate the Bab el-Mandeb-Sharm el-Sheikh issues from the territorial issues, since the struggle for the straits may be a long and indecisive one.

Our overall analysis of the fundamental role that the control of choke-points plays in allowing for the exercise of hegemony over the seas leads us to the conclusion that even if strategic goals alone had been operative, the United States would have depended upon Israel to effectuate American objectives in the Middle East, but conjoined with the strategic value of Israel is the value of Israel as a highly developed society with a superb infrastructure capable of supporting high-technology agriculture, high-technology industry, and innovative and creative managerial know-how. Israel is ready, whenever the Middle East is, to serve as the financial, managerial, industrial and agricultural center of the region, playing a role similar to that of Sweden, Holland, West Germany and Japan in relationship to less developed areas. And since American developmental transnational global capitalism is seeking to create throughout the less developed world precisely this kind of infrastructure, is it not incredible that the United States would allow such an advanced society as Israel to be overthrown by the less developed states of the area and find itself having to rebuild, at tremendous cost over many years, an infrastructure which, at best, might only equal that which Israel already

has? The directional thrust of American capitalism, by contrast to British capitalism, requires the radical restructuring of traditional societies, especially in agriculture, so that they can become more productive and less and less dependent upon the production of raw materials. As we have pointed out again and again in the Newsletter, underdeveloped societies offer no markets for General Motors, for IBM, for Xerox, for General Dynamics and for the host of other American industrial and post-industrial corporations which can operate profitably only to the degree that sophisticated markets are opened up, and to the degree that underdeveloped labor can be developed so that they can be utilized in highly productive industrial operations. Whereas Britain's system is nurtured by underdevelopment, the American economic system is nurtured by development. And since these goals are incompatible, global civil war is inevitable--a civil war which necessarily finds Israel and the United States umbilically, not fortuitously, tied to one another.

Whereas incongruent economic structures spawn transient alliances, coalitions and connections of convenience, congruent economic structures undergird sturdy, enduring, and mutually reinforcing partnership.

We have now come full circle. The shifting appearances, insofar as the relationship between the United States and Israel are concerned, are but the fog and the clouds obscuring the bonds which tie Israel and the United States in a sturdy and steadfast gripping alliance of necessity.

Globally yours,

Ellis Rivkin
Ellis Rivkin, Editor

Connie Yaffe
Connie Yaffe, Managing Editor

November 21, 1977

The dictating of the Newsletter was completed November 18, 1977; hence prior to Sadat's red-carpet welcome to Israel and prior to his address to the Knesset. Because of the extraordinary significance of these happenings, we thought a brief postlude would be helpful.

Although Sadat's visit to Israel, with its warm assertiveness of Israel's right to a secure independent existence among her Arab neighbors; with his forthright confession to the sin throughout the years of spurning any dialogue with Israel; and with his outreach for genuine negotiations, came as a stunning surprise to even the most sophisticated and astute commentators and students of international affairs, it could hardly have been astonishing to close readers of the Newsletter. In the very first issue of the Newsletter (March 7, 1975), page 4, the following analysis was set down:

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Cincinnati, Ohio

February 7, 1978

Ellis Rivkin, Publisher and Editor-in-Chief
Connie Yaffe, Managing Editor and Research Associate
Yetta Gershune, Executive Secretary

Dear Friends:

Now that some time has elapsed since the dramatic Sadat-Begin meeting in Jerusalem, we can see Act I in clearer perspective. At the time, you will recall, we were uncertain as to whether the Sadat-Begin talks represented some modus vivendi which had been worked out between the United States and Great Britain following on some mutual concessions, or whether the talks represented a dramatic move by the United States to break through the bottleneck which had been obstructing a comprehensive Middle East settlement by exposing Britain to a fait accompli: a reconciliation between Sadat and Begin precluding any further war between Egypt and Israel.

It would now seem that the second hypothesis is proving to be the more likely one, since Britain has apparently successfully blunted the Sadat-Begin initiative by holding her client states and the groupings which she supports in the PLO from coming to terms with Israel. As a consequence, all is now bogged down awaiting the resolution of a wide array of conflicts between Great Britain and the United States in Africa, Asia, Central and South America and the Middle East. The line-up as we see it now is as follows:*

* Now is italicized so as to underscore the oscillations that characterize (1) international relationships in general, and (2) the relationship between client and patron states in particular. The transformation of West Germany and Japan from inveterate enemies into coddled allies are vivid examples of the first category, while India's odyssey from violent revolution against the British to a cherished member of the Commonwealth, and Taiwan's from pampered pawn to prickly thorn are goodly examples of the second kind. Of especial

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The Underlying Conflict: U.S. vs. Britain--Strategic

Africa

Horn of Africa

Somalia (Great Britain) vs. Ethiopia (United States, Soviet Union, Cuba, Israel)

Eritrea

Anti-Ethiopian liberationists (Great Britain) vs. Ethiopians (United States, Soviet Union, Cuba)

Rhodesia

Internal settlement with elections prior to transfer of power and iron-clad guarantees for the white minority (Great Britain) vs. externally-based guerrillas (United States, Soviet Union, Cuba) demanding transfer of power prior to elections and with no absolute guarantees to the white minority.

The former Spanish Sahara

Morocco and Mauritania (Great Britain) vs. Polisario (United States, Soviet Union, Cuba)

immediate interest is the return, it would seem, of Communist China to the British fold from which she had been snatched by the United States as part of the Vietnam settlement with Britain. Hence Nixon's triumphant visit to Peking. Since Mao's death, however, the new leadership seems to be coordinating their policies more and more with the British. The Saudis, too, who for years were predominately American clients, now seem to have tipped over to the British.

Most helpful in conceptualizing the relationship of client states to the great powers is to imagine each state to be, like a corporation, divided into shares of stock which can be, so to speak, transferred from one patron state to another whenever the calculus of power shifts. Thus whereas, let us say, the United States had held 80 percent of Saudi Arabian stock and Britain 20 percent in 1973, the growth of British power in the past year, which is documented in the body of this Newsletter, has led to a stock transfer with Britain now owning, let us say, 65 percent and the United States 35 percent.

This mode of picturing the relationship of client to patron states has the imprimatur of Winston Churchill who, in October 1944 during the Yalta Conference, offered Stalin the following deal:

Asia

Cambodia (Great Britain) vs. Vietnam (United States)

People's Republic of China (Great Britain) vs. Vietnam (United States)

Central and South America

Falkland Islands (Great Britain) vs. Argentina (United States on this issue)

Middle East

P.L.O. terrorists, extremists, rejection front (Great Britain), Arafat, moderates (United States, Israel, Soviet Union)

Oman, Kuwait, Iraq(?) (Great Britain) vs. Iran(?) (United States, Soviet Union, Cuba)

Saudi Arabia (Great Britain) vs. Southern Yemen (United States, Soviet Union, Cuba)

Jordan, Saudi Arabia, Iraq, Oman (Great Britain) vs. Israel, Egypt, Syria, Lebanon (United States, Soviet Union)

" . . . As far as Britain and Russia are concerned, how would it do for you to have ninety percent predominance in Roumania, for us to have ninety percent say in Greece, and go fifty-fifty about Yugoslavia? And he wrote on half a sheet of paper:

"Rumania	
Russia	90 per cent
The others	10 per cent
Greece	
Great Britain	90 per cent
(in accord with U.S.A.)	
Russia	10 per cent
Yugoslavia	50-50 per cent
Hungary	50-50 per cent
Bulgaria	
Russia	75 per cent
The others	25 per cent

Europe

Ireland Moderate Settlement (Great Britain) vs. Ireland Unification (United States)

Federated Europe (United States) vs. Confederated Europe (Great Britain)

Canada

Unified Canada (Great Britain) vs. Quebec Separatism (United States)

Comprehensive Test Ban Treaty

Vertical proliferation, horizontal non-proliferation (United States) vs. Vertical non-proliferation prior to horizontal non-proliferation

"Stalin at once accepted and, though next day (10 October) Molotov in conversation with Eden, made a certain display of 'dragging his feet,' the 'Percentage Agreement' became policy." (Wheeler-Bennett, Sir John W. and Anthony Nicholls, The Semblance of Peace [New York, 1972], p. 559. The "Percentage Agreement" is given by Churchill himself in The Tide of Victory, p. 198.)

And if this way of looking upon client states as though they were divided into transferable shares strikes one as cynical, he can turn to Churchill himself for confirmation that it is indeed cynical. "Might it not," he asked Stalin, "be thought rather cynical if it seemed we had disposed of these issues, so fateful to millions of people, in such an offhand manner?" Churchill's suggestion to Stalin, however, that the record of this cynicism be destroyed, was not taken up. Stalin had no compunction and told Churchill to keep it. (Quoted in Semblance of Peace, p. 559, and from The Tide of Victory, p. 198.)

Cynical or not, we have on record two heads of state who thought of small states as divisible into transferable shares.

In some future Newsletter we hope to explore this phenomenon in depth.

You will note that most of these conflicts involve crucial choke-points:* the Horn of Africa and Southern Yemen overlook Bab-el-Mandeb and the Gulf of Aden. Oman and Iran border on the Straits of Hormuz and the Gulf of Oman, which also critically affect Saudi Arabia, Iraq and Kuwait. Israel, Jordan, Saudi Arabia and Egypt are directly involved with the Straits of Tiran. The struggle over the Spanish Sahara affects the Canary Islands while any victory for the Polisario endangers Morocco, which controls the African side of the Strait of Gibraltar. Belize (formerly British Honduras) is situated just below the Yucatan Channel and controls access to the Panama Canal. The Falkland Islands overlooks the Strait of Magellan. Cambodia lies off the Gulf of Siam across from the Malay Peninsula.

Some of these Anglo-American conflicts, such as the struggle over Belize, can be documented while others are much more dependent on inference. Here, for example, is a summing-up by Patrick Ketley of American efforts to pressure Britain to partition Belize:

"Washington pressure may be the real explanation of present British techniques. The American view is that a small cricket-playing community, stuck into the Central American mainland by an accident of history, has to be seen as expendable in the greater global perspective."

(The Guardian, January 29, 1978)

Ketley at the same time informs us that there are now 1,500 British troops in Belize and a part-squadron of Harrier Jets, sturdy confirmation that Callaghan is as committed to defend Belize with British forces as his predecessors Wilson (Labour) and Heath (Conservative).

Indeed, R. W. Apple, Jr.'s report from London to the New York Times (January 26, 1978) quotes the British Foreign Secretary, Dr. David Owen, to the effect that no final agreement would be worked out between Britain, the United States and Guatemala without the approval of the people of Belize:

In the current mid-east crisis we would roughly estimate the United States controls 99 percent of Israel, 85 percent of Egypt, Syria and Ethiopia, perhaps 40 percent of Saudi Arabia, and 60 percent of Iran. Britain, for her part, controls perhaps 98 percent of Jordan, Kuwait and Oman, 80 percent of Somalia, 60 percent of Saudi Arabia (Britain trains the Saudi air force), and 40 percent of Iran. These suppositions, we must stress, are suppositions and represent the best estimate we can come up with right now.

* See The Globalist Newsletter, Vol. III, No. 2, October 28, 1977, p. 35.

"The Government of Belize has no intention of agreeing to a sell-out [Dr. Owen said]. Twice in the last two years we have gone to the defense of the people of Belize and we are willing to do so again." (My italics)

As for Somalia, note should be taken of the fact that Somalia had once belonged to Great Britain, and its loss now to the Ethiopians backed by the Soviets and the Cubans would wrest from Britain a choke-point astride the entry into the Red Sea.

The crucial significance of the Somali-Ethiopian struggle was pointed out to our readers in the last issue (pp. 33, 39). Since then we have confirmation from Dayan himself that the Israelis are helping the Ethiopian cause:

"Israeli Foreign Minister Moshe Dayan's disclosure that his country is giving military aid to Ethiopia was divulging no secret. . .

"The whole issue was discussed when Moshe Dayan stopped over in Brussels in September last year and conferred with NATO Commander Alexander Haig. . .

"Local sources [in Jerusalem] say Israel's aid to Ethiopia consists not only of arms but also of teams of instructors in military aviation and logistics." (Francis Ofner, Christian Science Monitor, February 8, 1978, p. 3)

Such Israeli aid, allowing as it does for highly sophisticated collaboration, puts Israel squarely on the side of the Soviet Union in her efforts to gain control of the vital chokepoint which could cut off all trade to Israel to and from the Indian Ocean. Israel must be looking upon the Soviet Union as a friend who would not hurt Israel, and Somalia as an enemy who would. This assumption accords with our overall theory which has, since 1956, always regarded the Soviet Union as collaborating with the United States' efforts to push the British out of the Middle East.*

In this respect, it should be noted that the United States not only makes no effort to help the Somalese keep the Russians away from one of the most strategic areas of the world, but, at the very moment when the Ethiopians were launching attacks against the Somalese in Ogaden, sends a presidential envoy, David Aaron, to Adis Abbaba to work out a modus vivendi (Cincinnati Enquirer, February 19, 1978). Nor does the United States feel constrained to obstruct Israel's direct aid to the Ethiopians.**

* See The Globalist Newsletter (October 28, 1977), pp. 23 ff.

** Our remarks in the September Globalist to the effect that wherever the Cubans are fighting, there unseen the American flag flies, is being confirmed not only on the Horn of Africa, but in Angola as well:

If Britain is indeed covertly supporting Somalia, she is not likely to allow its clients to work out a settlement satisfactory to Israel and the United States so long as the United States is allowing the Soviets and the Cubans, with Israeli help, to support Ethiopia's massive attack against Somalia and Eritrea. Negotiations now will be drawn out over many months, or even years, as Britain seeks to hold the United States at bay. The Sadat-Begin negotiations should now be looked upon as though it were a seismograph refracting the shocks of world-wide Anglo-American conflict and measuring their relative severity. When Egyptian-Israeli talks seem to be going well, we would suspect that conflicts between Britain and the United States in other parts of the world are moving towards resolution. Contrariwise, when they are bogging down, we would be wise to look elsewhere for the explanation.

Britain's Diplomatic Offensive: Callaghan's Visit
to India, Pakistan and Aswan

With this in mind, we should like to call your attention to the ever-wider role that Britain has been playing throughout Asia, the Middle East, and Europe since the last Newsletter--a role which has been scarcely noted in the press. Thus though Mr. Callaghan visited India, Pakistan, and held talks with Sadat in Aswan, right on the heels of Carter's visits, the American press was muted. Yet this was in every way a triumphal tour, trumpeted by the Prime Minister to a receptive Parliament:

"India is proud of the way in which she accomplished her return to full democracy," Mr. Callaghan told the House, "and that, in itself, has strengthened her links with Britain. She is conscious that both our countries have a shared history, a shared language, that our legal systems are intertwined and that our historic ties can be accepted at their true value without exaggeration and without bitterness, and as a firm basis on which to build for the future."

"MPLA has all along showed its determination to crush any secessionist tendencies in the enclave [of Cabinda] to prevent any stop in the flow of foreign currency deriving from the concession fees and production lines unfailingly turned over to the Luanda government by the U.S. controlled Cabinda Gulf Oil Corp.

"While collecting the dollar windfall, MPLA has kept Washington happy by providing crack Cuban forces for the protection of the oil installations and the lives of the American staff manning them."

(To the Point International, 30 January 1978). Italics mine.

"As Mr. Desai himself put it: 'Britain and India can never be parted.'"

"I was honoured to address the Indian Parliament and said that I would be happy if my visit could be the beginning of an attempt to build a new framework of cooperation between India and Britain. We have much in common with this great nation, now the tenth largest industrial nation in the world.

"The Indian Prime Minister and his Cabinet value the Commonwealth connexion and there is much we can do together to use our influence in our own different spheres of influence and in world groupings [for example, the U.N]."

(London Times, January 16, 1973,* italics mine)

Conjoined with this renewal of a special relationship between Great Britain and India, Mr. Callaghan expressed his understanding of Mr. Desai's view:

"that progress can be made [towards the setting-up of international safeguards to avoid the spread of fissile material that could be used for nuclear weapons] if the present negotiations for a comprehensive test-ban treaty now going on between the United States, the Soviet Union, the United Kingdom can be brought to a successful conclusion.

"The effect of such a treaty," Mr. Callaghan pointed out, "by banning all nuclear tests, would be to hamper the development of new nuclear weapons and to curb what is now called vertical proliferation." (Italics mine)

When in the subsequent question period the nuclear proliferation issue was raised by Mrs. Thatcher, Mr. Callaghan again stressed that India would not feel constrained to join the non-nuclear proliferation club unless two conditions were fulfilled:

* We are most grateful to Richard Dine, an undergraduate student in the School of Foreign Service, Georgetown University, for putting at our disposal a Xerox copy of Callaghan's report to Parliament. Mr. Dine has volunteered, as his contribution to The Globalist, to monitor on a regular basis the London Times. Such monitoring will enable the editors to cull data, especially from the Parliamentary debates, which are not otherwise available.

"One would be the completion of a comprehensive test-ban treaty and the second, because of that, vertical proliferation would be ruled out. The third condition would be another round of SALT talks."

Mr. Callaghan then went on to point out that if these three conditions were met, there would actually be no need of even signing the non-proliferation treaty.

What is, of course, striking about Mr. Callaghan's statement is that it stands in stark opposition to Mr. Carter's distress with Mr. Desai's refusal to sign the non-proliferation treaty, a distress so intense that open microphones were conveniently allowed to pick up Mr. Carter's irritation when he told Secretary of State Vance that he was going to write a strong letter to Mr. Desai.

Mr. Callaghan also brought back to Parliament the refreshing news that Pakistan was contemplating rejoining the Commonwealth. This despite the fact that Britain had stood by when Bangladesh had declared her independence. Of special interest to the readers of *The Globalist* is the role that Mr. Callaghan has been playing in the Middle East negotiations. He not only met with President Sadat on his way back to Britain, but was in direct communication with President Carter by telephone and telegram. Here are his own words:

"On my way home to London I was glad to be able to accept President Sadat's invitation to hold talks with him at Aswan. It was clear that a crucial stage had been reached in the historic negotiations between Egypt and Israel and that discussions were not going well.

"Our talks complemented the discussions which I had held last month with Prime Minister Begin.* Following my talks with President Sadat, I was in touch by telephone and telegram with President Carter in anticipation of Mr. Cyrus Vance's attendance at the political committee negotiations which opened today in Jerusalem. I also sent a full letter to Mr. Begin setting out my views."

(Italics mine)

* These talks, largely unreported in the press, left no doubt in Begin's mind that Britain was playing no peripheral role. Here are excerpts from Alexander MacLeod's report to the *Christian Science Monitor* (December 26, 1977):

"Britain has found itself caught up in the Sadat-Begin Middle East peace initiative and able to exercise influence in ways that have surprised [sic!] the Callaghan government.

"According to officials at 10 Downing Street . . . Mr. Begin was grateful to enlist Britain's help in attempts

Mr. Callaghan elaborated further in an answer to an M.P.'s question concerning Mr. Sadat's pessimistic outlook on the forthcoming talks:

"As to whether Mr. Sadat's pessimism was justified, things were sticky last Saturday [January 14, 1973]. The intervention of President Carter helped to remedy the situation. There are hard decisions for Israel to take here, but Israel will have to take these decisions."

(Italics mine)

to establish contacts with Arab states still remaining neutral in the current Israeli-Egyptian exchanges.

"Mr. Callaghan is keeping in almost daily contact with King Hussein of Jordan, King Khalid of Saudi Arabia, and leaders of the Gulf states.

"In circles close to the British Prime Minister, it is being said that the Egyptian and Israeli leaders are displaying 'a clear and genuine will to peace.' But both are worried that without discreet encouragement from the sidelines their peace effort may run into the sands.

"British officials say Britain's historic ties with Israel and long relationship with the Arab states are enabling it to act as a vital channel of communication as the tempo of peace moves increases.

"The one gap in Britain's spectrum of Arab contacts is Syria; but that, too, looks to being filled. . .

"Britain's chief worry is that what Mr. Begin has to offer on the West Bank of Jordan will not meet the demands of radical Arab opinion. If Israel's proposals for Palestinian representation is too weak, it is felt at 10 Downing Street, President Assad may refuse absolutely to show interest.

"Mr. Callaghan used most of his three hours of talks with Mr. Begin, held at Chequers, the British Prime Minister's country residence, to hammer this point home. He questioned the Israeli leader in detail about Israeli attitudes to the West bank, emphasizing that Israel must remain flexible if the current peace moves were to lead to a settlement involving the main Arab parties, including Syria.

"The British Government now is satisfied that there is give in Mr. Begin's position on the West Bank.

"In their talks, Mr. Callaghan promised Mr. Begin that he would remain in close touch with President Sadat and other Arab leaders. The Israeli Prime Minister for his part undertook to keep Britain fully up to date about possible modifications in his peace proposals." (Italics mine)

(We are grateful to Rabbi and Mrs. Rav Soloff for sharing with us this report to the Christian Science Monitor.)

Little wonder, then, that the UPI (the Dallas Morning News, January 14, 1978) reported that Sadat said that "the peace process is passing through a decisive stage, or is in danger" after talking with British Prime Minister Callaghan. Indeed, it seemed for some hours that the proposed meetings in Jerusalem would even be called off. Callaghan, in his closing remarks, left no doubt in the minds of Parliament that his visit to the Far East and his talks with Sadat were to be taken as evidence that Britain was once again in a position to exert her power and influence on a global scale. Here is his summation:

"To sum up, while Britain in the 1970's rightly threw in her lot with the European community, such a relationship should not be exclusive, and we should foster bi-lateral relations with other countries, especially those with whom we have historic and other ties.*

* This is a direct allusion to Kissinger's provocative Year of Europe speech (April, 1973) in which he asserted that whereas the United States and the Soviet had global responsibilities, Europe had only regional ones. The British were furious!

Callaghan is also echoing Anthony Eden's proclamation to the American people that Britain's national character is rooted in her far-flung, world-wide interests. In a speech at Columbia University on January 11, 1953, Eden issued Britain's enduring manifesto:

"The American and British peoples should each understand the strong points in the other's national character. If you drive a nation to adopt procedures which run counter to its instincts, you weaken and may destroy the motive force of its action.

"This is something you would not wish to do--or any of us would wish to do--to an ally on whose effective cooperation we depend.

"You will realize that I am speaking of the frequent suggestions that the United Kingdom should join a federation on the continent of Europe. This is something which we know, in our bones, we cannot do.

"We know that if we were to attempt it, we should relax the springs of our action in the Western democratic cause and in the Atlantic association which is the expression of that cause. For Britain's story and her interests lie far beyond the continent of Europe. Our thoughts move across the seas to the many communities in which our people play their part, in every corner of the world. These are our family ties. That is our life: without it we should be no more than some millions of people living on an island off the coast of Europe, in which nobody wants to take any particular interest."

(Full Circle [Cambridge, Massachusetts, 1960], p. 40)
(Italics mine)

"Everywhere I went, there was a general recognition that the improvement in Britain's position during the last twelve months was of benefit not only to the British people, but also to the world in enabling us to exert a stronger influence in international and economic affairs; and there was a general welcome that Britain is now able to take her proper place in the world once again. [All quotations from Callaghan are taken from the transcript of the Prime Minister's speech as reported in the London Times January 16, 1978]." (Italics mine)

Callaghan's simple declaration: ". . . Britain is now able to take her proper place in the world once again" (italics mine) is, from our point of view, a bombshell, for it reveals that Britain is now able to do what she had not been able to do, and she is now once again assuming her proper place as a world power, a place from which she had been temporarily dislodged. This breakthrough from then to now has, according to Callaghan, occurred in the past twelve months. And if we analyze what has occurred during these past twelve months that could account for Britain's now exerting a stronger influence in international and economic affairs, we note that whereas the pound hovered in the \$1.65-.70 range a year ago, it is now dancing upward from a seemingly secure \$1.93; whereas Britain's reserves then, in January 1967, were below \$5 billion, they are now over \$20 billion--as much, if not more, than our own reserves; whereas holders of sterling were pulling out then, they are buying in now; whereas North Sea Oil revenues were still in the offing then, they are flooding in now; and whereas the breakthrough to a new level of strategic, nuclear power was still awaiting testing then, it has become operational now.

This restoration of Britain to her "proper place in the world" is also allowing Britain to crack the whip in the European Common Market. Foreign Secretary David Owen bluntly informed his colleagues in Brussels that "full-fledged federalism was unrealistic and to some extent mythical":

"'We cannot see,' he declared, 'in concrete terms how nine nations with very different political, social and cultural conditions--some of them still very young nations in political terms--can possibly become federated over any realistic time scale.'" (Christian Science Monitor, February 15, 1978, p. 13)

"'The Community can be suffocated by cant, and the more mouthing of communitaire language can stifle the serious questioning and debate that any active evolving body needs to thrive.'" (The Guardian, February 19, 1978)

Owen's public rejection of federalism and his defining of the community as a confederal system in which the central authority has only limited jurisdiction represents a defiant challenge to the federal

principle as championed by the United States. And Britain is putting her interests where her words are by taking a tough stand on (1) how the community's budget is to be prepared, (2) the holding of direct elections for an European parliament, (3) fisheries resources, and agricultural and food policy, (4) gaining for herself the EEC's jet nuclear-fusion project. (Cf. ibid.; also The Guardian, February 12, 1978, pp. 7, 12; The Economist, February 11, 1978, p. 58.)

This offensive against the EEC has aroused the dire apprehension of Britain's partners. Le Monde lashed out against Britain's disruptive role and raised the question as to whether Britain is truly community-minded:

"The saddening spectacle in Brussels these days comes as a confirmation that the British do not understand the language of the community. . . .

". . . As the Netherlands minister for agriculture and fisheries put it concisely: The question is whether Britain is prepared to abide by the treaties and work together with its partners, or whether the EEC is moving into a phase where any discussion will be blocked if it is not going in Britain's favour.

"After Britain re-negotiated its terms of accession to the EEC in 1975 and Wilson's successful referendum, it gave a solemn undertaking to behave like any other member-state of the Community. But the day to day record in Brussels demonstrates that the promises have not been kept. Whatever the issue--industry, agriculture, fishing, energy, or institutions--the British when they are not hampering discussions, ask for special treatment. Must it be recalled that because of them, election to the European Assembly on universal suffrage has been put off for a year, that British imports of foodstuffs are being massively subsidised without any rhyme or reason by the European Agricultural Fund, while simultaneously London cunningly makes use of the EEC's financial regulations to keep its contributions to the Community budget down to levels far from commensurate with its economic power.

"After all, why would the British have given up insisting on special treatment or showing a lordly indifference to Community interests seeing that the other members of the Community, with a few exceptions, have all been crawling spinelessly before their demands? . . ."

(The Guardian, February 12, 1978, p. 11)
(Italics mine)

Britain's Attainment of Nuclear Parity

Some of these developments were drawn to the attention of our readers in *The Globalist* of September 15, 1977 (pp. 2-11). Particular emphasis was placed on the diplomatic leverage opening up to Britain by virtue of her achieving what I called "level" nuclear parity with the United States, since such leverage had enabled Harold Macmillan in 1958 to press Eisenhower and Dulles to have Congress revoke the McMahon Act. Since its passage at the end of World War II, this Act had effectively blocked Britain's access to U.S. nuclear technology and know-how. Indeed, Macmillan had succeeded in wresting from the United States a twenty-year nuclear cooperation treaty, a treaty which is now about to lapse.

At that time, in 1958, when Britain had succeeded in developing an operational H-bomb, Macmillan had used language very similar to that used by Callaghan in his recent address to Parliament. In a B.B.C. broadcast reported in the *London Times* of February 24, 1958,* Macmillan told the British people that the possession of the H-bomb "puts us where we ought to be, in the position of a Great Power." This was echoed by Randolph Churchill when, in a speech to the American Chamber of Commerce in London on November 13, 1958, he left no doubt in the minds of his listeners that if Britain had had H-bombs in 1956, she would not have had to back down in the Suez Crisis:

"Britain can knock down twelve cities in the region of Stalingrad and Moscow from bases in Britain and another dozen from bases in Cyprus. We did not have that power at the time of Suez. We are a major power again." (Cited by Andrew Pierre, *Nuclear Politics: The British Experience with an Independent Nuclear Deterrent 1939-70* (Oxford Press: London, New York, Toronto, 1972), p. 96, italics mine).

Callaghan's assertion that Britain is now able to exert a stronger influence in international and economic affairs, and is now able to take her proper place in the world, summing up as it did the very concrete acts of power which Callaghan had just consummated--(1) an assurance from Desai that "Britain and India can never be parted," as Desai and Callaghan took the first steps towards building a new framework of cooperation as they anticipated the use of their "combined influence in our own different spheres of influence and in world groupings"; (2) an undergirding of Desai's refusal to sign the Non-Proliferation Treaty until vertical proliferation is ruled out; (3) a reconciliation with Pakistan paving the way for her reentry into the Commonwealth; (4) the direct involvement in the Egyptian-Israeli negotiations via talks with Sadat at Aswan, telephone and telegraphic communications with Carter, a letter sent directly to Begin setting out Callaghan's views of the hard decisions Israel will have to make, and a reference to the talks he had previously had with Begin--confirms our hypothesis that Britain has consummated a major nuclear breakthrough to level parity with the United States within the past twelve months.

Since this hypothesis is so fundamental to our analysis and since Britain's role as an awesome nuclear superpower is rarely acknowledged, it is essential that our readers be aware of the following facts: (1) Britain did indeed carry through a series of nuclear tests during the past twelve months which involved a parity breakthrough; (2) this breakthrough enhanced an already existing strategic nuclear deterrent of frightening proportions, and an already existing delivery system of proved reliability and effectiveness.

Let us now consider each of these seriatim.

Great Britain: Superpower--Recent Nuclear Breakthroughs

1. Britain did indeed carry out a series of nuclear tests during the past twelve months.

Here is the evidence: The London Times (May 18, 1977) reported that Mr. Frank Allaun "unsuccessfully sought an emergency debate to discuss the Government's development of new hydrogen bombs.

"He said that in the Guardian today there was a report headed 'U.K. H-bomb plans go ahead.' It stated that scientists at Aldermaston were working on a miniature H-bomb and new Polaris warhead.

"In the Daily Mail today there was another report under the headline 'Mulley confirms new H-bombs.' In this report the minister refused to confirm or deny a report that the Government were trying to beat an expected ban on all nuclear tests, including those underground.

"This statement followed a report occupying the front page of the Daily Mail yesterday headed 'Secret H-bomb, Britain Acts to Beat Ban.' It stated that the test at Nevada of a highly advanced H-bomb prototype was planned and had been advanced several months and was expected soon.

"Presumably this test was to be kept secret and made without any previous announcement to the House as with earlier tests. Why should it be kept secret?

"There was unfortunately reason to believe that the British Government was planning a further test at Nevada, because when the former Secretary of State for Defence (Mr. Ray Mason) was asked for an assurance that there would be no more, he refused to give it.

"The matter was urgent. Negotiations between President Carter and Mr. Brezhnev to stop all nuclear

test explosions was under way. Their prospects might well be damaged by such a test. It undermined and conflicted with President Carter's declared aims. . ."

(Italics mine)

The Arkansas Gazette of Monday, May 16, 1977 (see The Globalist Newsletter, III:1, September 15, 1977, p. 3) carried the following story:

"British nuclear scientists are rushing to finish work on a hydrogen bomb and warhead to beat a ban on hydrogen bomb tests expected from President Carter, London's Daily Mail said today.

"The Conservative Daily said the projects will give Britain a weapons system independent of the United States.

"It said the British Cabinet ordered the rush because it believes the twenty-year-old nuclear cooperation treaty [signed in 1958, following on Britain's development of operational H-bombs] with the United States is unlikely to be renewed by President Carter when it expires next year. That would exclude Britain from the underground testing base in Nevada.

"A scheduled Nevada test of an advanced British hydrogen bomb has been brought forward several months and is expected soon." (Italics mine)

And soon it was. On November 9, 1977, the Dallas Times Herald, under the headline "British Test-Fire Improved Polaris," reported as follows:

"Cape Canaveral, Fla. (UPI). A British Polaris A-3 missile was fired down the U.S. Air Force's eastern test-range from Cape Canaveral Tuesday evening in a test of improvement made by the British to the American-built rocket. Navy officials who aided in the test-firing called the late afternoon launch "a complete success." It was the second of a series of tests to be conducted in the next few years. The first flight, September 12, also was successful. The British have four nuclear submarines equipped to fire Polaris missiles."

The evidence is clear-cut: (1) Britain has successfully tested an improved Polaris A-3 missile capable of delivering a miniaturized H-bomb of highly advanced design; (2) this British breakthrough was hastened by the British so as to beat out the expiration of the nuclear cooperation treaty with the United States allowing Britain to use our underground testing facilities in Nevada; (3) Carter was

hoping that a test ban treaty could be negotiated prior to the British testing, assuring, as it would have, U.S. nuclear level superiority over Great Britain; (4) the United States, far from welcoming continued nuclear collaboration with Great Britain, was looking forward to the expiration of the treaty which it was not planning to renew.

Strategic Nuclear Parity and the Calculus of World Power:
The H-Bomb Paradigm of 1957-3

With these facts in mind, let us recall that the nuclear cooperation treaty was signed in 1958, only after the British had successfully demonstrated to United States observers that she had indeed developed operational H-bombs. Prior to this demonstration, Britain had been excluded by the McMahon Act from any special claim for access to United States nuclear technology and know-how, despite Britain's significant contributions to the development of the atom-bomb by the United States during World War II. Britain was thus compelled to develop the A-bomb and the H-bomb without any American help despite the fact that the United States was aligned with Great Britain during the Cold War, utilizing British air bases, and was dependent on the Congo ores controlled by Britain for the super high-grade uranium which could be mined nowhere else for the production of its own bombs. The twenty-year nuclear cooperation treaty (August 4, 1958) was thus "imposed" on the United States by Great Britain because her attainment of nuclear level parity confronted the United States with the stark choice of either cooperating in some areas with Great Britain and gaining some access to British technology and know-how or taking the risk of Britain's excluding the United States from any access to her independently developed processes, processes which, Macmillan reassures us, were by no means limping behind America's:

"... but in some respects we are as far and even further advanced in the art than our American friends. They thought interchange of information would be all give [Macmillan's italics]. They are keen that we should complete our series, especially the last megaton, the character of which is novel and of deep interest to them. This is important, because it makes this final series complementary rather than competitive--and therefore easy to defend in Parliament." (Harold Macmillan, Riding the Storm, p. 565, Diary entry for September 1, 1958).* (Italics mine)

Similarly, the amendment of the McMahon Act (July 2, 1958) was "imposed" on the United States. It was "the great prize" (Ibid., p. 323) which Macmillan so earnestly strove to carry off when he tussled with Eisenhower and Dulles in Washington in October, 1957. ("Honeymoon in Washington," Ibid., pp. 311-341, "the great prize" is on p. 323).

* Cf. The Globalist Newsletter, Volume III, No. 1 (September 15, 1977) pp. 7-11.

Subsequently, Macmillan "compelled" the United States to provide Britain with Polaris missiles when he met with Kennedy at Nassau in December, 1962. Then Macmillan made it clear to Kennedy that "if the difficulties arising from the development of Skybolt were used, or seemed to be used, as a method of forcing Britain out of an independent nuclear capacity, the results would be very serious indeed." (Macmillan, At the End of the Day, p. 357). Kennedy resisted as best he could, but he finally agreed to provide Britain with Polaris missiles and to recognize that they were to be truly "independent":

"The arrangement finally agreed was that we should be supplied with the Polaris missile, we making our own warheads, which we were quite able to do. In return, our nuclear fleet was to be 'assigned' to NATO, except in cases 'where Her Majesty's Government may decide that supreme national interests are at stake.' This meeting, in which the arguments were much more violently contested than in any previous one, was an exhausting experience:

"The discussions were protracted and fiercely contested. They turned almost entirely on "independence" in national need. I had to pull out all the stops--adjourn, reconsider; refuse one draft and demand another, etc., etc. . . ."

(Ibid., p. 360, the Diary entry is dated 23 December 1962)
(Italics mine)

This "compelling" of the United States to sustain Britain as an independent nuclear power is fully in line with Macmillan's thinking, frankly shared, that his goal has always been to get American Presidents to do what Britain would like them to do:

"However, I have always thought about American Presidents that the great thing is to get them to do what we want. Praise and blame can be left to history."

(Macmillan, Pointing the Way, p. 392,* italics mine)

It should also be noted that Macmillan's assessment of American statesmen borders on the contemptuous:

". . . It's rather sad [he remarked when McNamara sought to arrogate to the United States a monopoly of nuclear weapons], because the Americans (who are naive and inexperienced) are up against centuries of diplomatic skill and finesse."

(At the End of the Day, p. 335,** (italics mine))

* Cf. The Globalist Newsletter, Vol. III, No. 1 (Sept. 15, 1977), pp. 11-12.

** Ibid., p. 12

Finally, it should be recalled that no sooner had Great Britain in the spring of 1957 carried out its first successful test on the road to an operational H-bomb, than the United States in collaboration with the Soviet Union sought to abort Britain's effort by calling for an immediate nuclear disarmament. This was attempted through Eisenhower's Special Assistant on Disarmament, Harold Stassen. Macmillan was furious:

"Mr. Stassen . . . has filed an extraordinary set of proposals, without telling us or the French--or it seems, the State Department. Nor has he given copies to anyone except the Russians! Is this America's reply to our becoming a nuclear power--to sell us down the river before [Macmillan's italics] we have a stockpile sufficient for our needs? Some of my colleagues suspect this."

(Macmillan, Riding the Storm, p. 301, Diary entry for 2 June 1957, italics mine)

Macmillan saw the United States, Britain's public ally, working jointly with the Soviets, America's public foe, to obstruct Britain's consolidation of level parity. In a letter to President Eisenhower, he bluntly called the President's attention to the fact that the Stassen Plan would cut off Britain from nuclear weapons which she deemed vital to the defence of her interests:

". . . A cynical critic might say that, at the end of the process [as envisaged by the Stassen Plan] . . ., two great nuclear powers would remain: The United Kingdom would be prevented from developing the nuclear strength which she is just beginning to acquire; and all the other countries of Europe would have signed away their right to defend themselves with these weapons for the rest of time, whatever changes may take place in the political conditions of the world [which would radically alter existing alliances]."

(Ibid., p. 302, italics mine)

Macmillan's determined stand finally "compelled" the United States to back off. At a dinner on June 18, 1957, attended by Harold Stassen and Selwyn Lloyd, Macmillan cracked the whip:

"I took a very tough line with Stassen and I think he was a bit shaken. Anyway, he agreed to alter the text of his reply to the Russians, in order to make it less difficult for us. The tests and the 'cut-off' (of material) are the fatal things for us if they come too soon."

(Ibid., p. 306, Diary entry 18 June 1957, italics mine)

The evidence is thus both clear and on the public record:

(a) The United States refused to help Britain develop either the A-bomb or the H-bomb by invoking the strictures of the McMahon Act.

(b) Britain's mastery of H-bomb technology spurred the United States to advance the Stassen Plan, in collaboration with the Soviet Union, in the hope that it would prevent Britain from carrying through the final testing needed to make their H-bomb fully operational.

(c) Britain was powerful enough (1) to veto the Stassen Plan and (2) to have the McMahon Act revised so as to allow for nuclear cooperation with the United States.

Great Britain: Superpower--Her Nuclear Arsenal

2. Britain's recent nuclear breakthroughs are increments to already existing nuclear deterrents of awesome destructive power. Here are the facts which have been publicly acknowledged:

In August, 1964, in an article entitled Would Labour Give Up the Bomb (Sunday Telegraph, August, 1964, pp. 12-14), Leonard Beaton listed the following British nuclear holdings: (a) a stockpile of perhaps 300 H-bombs, and (b) an atomic stockpile of perhaps 1,200 A-bombs. To deliver these bombs, Britain at that time had (a) Mark II Vulcan and Victor bombers with Blue Steel missiles, (b) other V-bombers, (c) Canberra bombers, (d) Buccaneer bombers, (e) Scimitar fighter bombers. (See Andrew J. Pierre, Nuclear Politics, p. 268.)

Since then, Great Britain has built four Polaris submarines carrying sixteen missiles armed with H-bomb warheads. These four Polaris submarines are in and of themselves sufficient to serve as an effective national deterrent as David Owen, formerly Secretary of the Royal Navy (1966-70) and now Britain's Foreign Minister, has pointed out in his The Politics of Defence (New York, 1972), p. 181:

"For the reasons already stated relating to the refit cycle of the Polaris submarine, it is argued that there must be four submarines in operation, and that this is the minimum necessary to ensure a credible national deterrent."
(Italics mine)

And Britain does indeed have four Polaris submarines! This means, as Owen points out, that at all times there is at least one Polaris submarine on patrol, and this one is itself sufficient to serve as a national nuclear deterrent:

"Yet one Polaris submarine, actually on patrol, is still by any standards a formidable unit, capable--with its sixteen missiles--of inflicting a heavy toll on any

aggressor nation and able to fire from its submerged position in any part of the ocean with a quite extraordinary degree of accuracy. Unless and until the Soviet Union develops a comprehensive anti-ballistic missile (ABM) system around its major cities, there is no reason to believe that the A-3 missiles on British submarines--with some modification--will not be capable of adequate penetration for the next few years; so the question of developing a second-generation missile system is not an immediately pressing issue. The future of the British Polaris force need not become of central importance before the middle of the 1970s."

(David Owen, The Politics of Defence, New York, 1972, p. 182, italics mine)

Britain is thus right on target with a second-generation missile system utilizing miniaturized H-bombs of advanced design!

Britain's status as a superpower sporting an effective independent nuclear deterrent has once again been assured.*

Great Britain: Superpower--The R.A.F.

In addition to her four Polaris submarines soon, if not already, to be armed with second-generation missiles, Britain has an air force which has no equal in Europe and which in some respects is superior even to our own. This superiority is spelled out in a special supplement to the Economist (December 17, 1977), entitled "In and Out of the Clouds," pp. 5-5* of the separately paginated supplement.

The grueling, unremitting, and superb training of the R.A.F. pilots and aircrew is nonpareil:

"The low rate of success in the training courses [only one in four make it] means that the pilots and aircrew who fight their way through to the operational squadrons can take it--the wear and tear of mock missions for a war which no one wants to happen. The polish on their performance makes them the envy of Nato. The tactical evaluation exercises, conducted by multinational teams on the control front in Nato and by purely British teams in the United Kingdom, put the RAF squadrons at the top

* The unwillingness of the United States to cooperate with Britain even on the Polaris beyond that required by treaty is exemplified by the rule "that no British personnel can go to the reactor section of an American Polaris boat." (David Owen, The Politics of Defence, p. 179)

of the league. And it is not just the aircrews alone. The RAF trains hard and regularly at operating from damaged airfields and, with the Harriers, from dispersed sites, under simulated conventional, chemical and nuclear attacks. To mount such exercises is difficult, to carry them through uncomfortable. But this is almost certainly the most realistic training of its kind to which any air force in the world subjects itself."

(Economist supplement "In and Out of the Clouds"
[December 17, 1977], p. 12)

The crews are trained to measure up to Grand Prix standards:

"The same exacting criteria are applied to aircrew training. Here the RAF recognizes the distinction between rally and Grand Prix racing drivers. Both demand a high degree of technical competence (and first-rate back-up teams); but the latter requires an extra ounce of nerve. The RAF trains its men up to that pitch."

(Ibid.)

This pitch proved itself to be beyond that which the American Air Force was able to attain, when the RAF outclassed the Americans during simulated war exercises in Nevada this past summer. Here is the Economist's report:

"How successfully [the RAF pitches its aircrews] was demonstrated this summer when a mixed squadron of Buccaneers went out to Nevada. There, the USAF has devised and now operates the toughest training course of all. It goes by the name of 'Red Flag.' There across the flat desert of Nevada, strike/attack aircraft have to penetrate Russian-style radars and Sams, elude the best American fighter pilots in the business and then drop live bombs on a realistic air complex. In a month of such operations the Buccaneers were shot down fewer times than the USAF's average in a week." (Ibid.)

Where the RAF is unexcelled is in its ability to fly, as the Economist puts it, "the lowest of the low":

"The reason why the Buccaneers did so well was because they flew low, very low. Among the air forces of the world the RAF is, indeed, "the lowest of the low." It trains its pilots and navigators to operate at 250 feet and less. That is the most demanding flying of all. ..."

(Ibid.)

This ability, according to the Economist, allows for an offensive strategy aimed at knocking out the enemy's airfields and interdicting his ground forces:

"The RAF flies low to get through. It wants to get through (and back) because, outnumbered as the Nato air forces would be, it believes the best form of defence is attack. Its motto appears to be: create more chaos and confusion among them than they can create chaos and confusion among you. . . It makes a doctrine, a dogma almost, out of interdiction of an enemy's airfields first and then of the 'choke points' of the enemy's ground forces in the rear areas of the battlefield (bridges, road junctions and the like) second. . . Small in numbers but bold in thinking, it seeks to get the enemy's air force off its own and the army's back by hitting it where it hurts--at its bases."

(Economist supplement "In and Out of the Clouds"
[December 17, 1977], p. 20)

Britain's Jaguars and Bucaneers stationed in Germany are on the ready to take off quickly with nuclear bombs exclusively under British control:

"The Jaguars and Bucaneers in Germany have a longer range than the harriers. Both are strike/attack aircraft, with the Bucaneers assigned to the longer range targets. At any moment of time a number of these aircraft are on 'Quick Reaction Alert' (QRA), ready for flight in a matter of minutes and loaded with nuclear bombs. (These bombs are British and do not therefore, as tactical nuclear weapons of American origin in West Germany do, come under the 'double key' system of release.)"

(Ibid.)

The parentheses enclosing the message that the British nuclear bombs are exclusively under British control should not mislead us into thinking that this message is some casual afterthought. It is the crux of Britain's power, for it means that Britain can drop nuclear bombs on every Warsaw Pact city within range of the Bucaneer. For all practical purposes these delivery systems represent a strategic option, even though by definition the Jaguars and Bucaneers are labeled "tactical." So long as Britain has the power to inflict unacceptable nuclear damage on East Germany, Czechoslovakia, Poland, Hungary, and even the Soviet Union itself, then she can trigger off a nuclear war by her response to some Soviet provocation and confront the United States with choices she would not like to have to make.

Among the features which make the Bucaneer a formidable strike/attack aircraft is that it can "lay its [nuclear] bombs down in low-level flight," and its pilots can "pitch up" so as to toss the bombs

in a high parabola on to the target" so that the Buccaneer is kept out of range of defending Sams and guns (Economist supplement, p. 20).

The RAF's power is by no means limited to West Germany. Indeed, three-quarters of the RAF is stationed in Britain in Strike Command, which includes V-bombers, transport aircraft, strike/attack aircraft, maritime aircraft, helicopters and interceptors. Especially noteworthy are the Anti-Submarine Warfare (ASW) Nimrods which have an impressive array of equipment: highly advanced radar, active and passive sonars, computers, magnetic anomaly detectors, homing torpedoes, and nuclear depth charges. Britain's air bases are protected by Bloodhound missiles and rapier squadrons.

Great Britain: Superpower--The Tornado

All this power is soon to be augmented by the coming on line of the Tornado, a two-seater plane which will be able to fly at twice the speed of sound at high altitudes and just over the speed of sound for short distances at low altitude; drop its weapons with high accuracy in all conditions of darkness and under all weather conditions; to fly as low as 150 feet via its terrain-following radar system, making it the second true all-weather attack aircraft in the world (America's E-111 being the other). Of the two versions of the Tornado, the so-called GR-1, according to the Economist (December 17, 1977, p. 31) "is designed to penetrate an enemy's defences at a very low level and high speed in all conditions of light and weather and to make accurate single-pass attacks, visual or blind, at its targets. . . Plainly the Tornado has been designed so that it can attack enemy airfields, lines of communications and support areas. It is a strike/attack aircraft for interdiction missions. . ."

As for the other version of the Tornado, the F-2 interceptor, "it carries," so the Economist assures us, "a radar designed to pick up aircraft at long range and to direct missiles against them. The F-2 has a good weapon load and will be able to engage a number of targets flying below it--known in the trade as 'snap up, snap down' capability--with its four British-made Sky Flash missiles. In addition, it will carry two improved Lidairnder missiles which home on the heat emitted by an aircraft. . . Its design suits it best for operations over the seas which surround the British Isles. It has been designed to take on enemy bombers. . . rather than to take on enemy fighters in close combat. For Strike Command, it is just what the doctor ordered." * (Ibid., italics mine)

Great Britain: Superpower on Guard

Besides the oncoming Tornado, Britain is considering the development of a Stovl (Short take off and vertical landing) with supersonic speeds. The Stovl, it should be pointed out, is a British technique and would allow aircraft "to operate from dispersed, hidden sites and from the undamaged parts of one's own airfields." (Ibid.)

* The oncoming Tornado, along with the RAF's hedge-hopping prowess may partially explain the U.S. decision to build the cruise missile.

Britain is thus by any measure a superpower:

(a) Strategically, Britain's four Polaris submarines are designed to serve as an independent nuclear deterrent.* In addition, Britain's V-bombers are strategic bombers whose effectiveness as a deterrent, given the support of the strike/attack Jaguars and Buccaneers, should not be underestimated. They are especially ominous in the eastern Mediterranean, since from their bases on Cyprus they are within easy range of Israel, Lebanon, Syria, Egypt, Jordan and Istanbul.

(b) Strategic-tactically, the Jaguars and Buccaneers in West Germany and Great Britain serve a dual function, depending on how one defines strategic. What needs to be stressed is that the Buccaneers carry nuclear weapons routinely.

In addition to Britain's bases in Germany and the British Isles, there are the two sovereign bases on Cyprus whose complement of V-bombers, Jaguars, Buccaneers, Nimrods, etc. are nowhere dealt with in the Economist Survey, and there is the Royal Navy whose role in the defense of the realm is considerable, even if not easy to assess.

* "The realistic conclusion therefore is that for all practical purposes, the United Kingdom does [Lord Chalfont's italics] possess an independent capacity for nuclear deterrence, and that it will continue to do so as long as even one missile-firing submarine can be kept at sea. . . .

"For myself, having spent much time in sombre contemplation of the issues, I find it difficult to resist the conclusion that, so far as Britain is concerned, what is needed is the simple ability to deter a potential enemy from attacking us or our allies.

"This requires a combination of two elements--the demonstrable ability to fight a non-nuclear war in the event of being attacked, together with the ability to persuade the enemy that we can and might [Chalfont's italics] retaliate with nuclear weapons, especially if nuclear weapons were used against us. In the absence of more convincing evidence than has so far been produced, it seems clear that the existing Polaris fleet will be capable of providing the second element for some considerable time to come. The Soviet Union has no effective defence against ballistic missile attack and with or without an agreement on strategic arms limitation, is unlikely to achieve one in the foreseeable future."

(Lord Chalfont, London Times 1/22/78. Italics mine unless otherwise designated.)

(c) Strategic-interdictively, the Nimrods keep Soviet submarines under continuous surveillance as they pass through the Greenland-Iceland-United Kingdom (GIUK) chokepoint and beyond. The Nimrod system is always operating under war conditions and can finish off any Soviet submarine should this become necessary or desirable. Here are excerpts from an account in the BBC Listener of the vigil which is kept, day in - day out, night in - night out, on every Soviet snip from the moment it leaves Murmansk until it passes through the Greenland-Iceland-United Kingdom (GIUK) gap.

"But how can anyone have the slightest idea where even to begin looking for Soviet submarines in the huge expanse of waters they patrol? The answer is that the main Soviet submarine base for the whole of the big northern fleet is in Murmansk, by the North Cape. To reach the Atlantic, Soviet submarines must pass through a geographical chokepoint known as the GIUK gap. The relatively narrow waters of the gap between Greenland, Iceland, and the United Kingdom have now been bugged by the Americans. . . .

"The tracking, above and below water, of every Russian submarine begins the moment it leaves Murmansk. Spy satellites monitor the dive and then, as the sub rounds the North Cape, Royal Norwegian Air Force maritime surveillance P3Bs, reacting to satellite and SOSUS-inspired intelligence, take up the search. They fly lonely patrols over a 90-million-square-mile area, usually finding one to four Soviet submarines a day.

"The subs heading west will then be handed over by the Norwegians to the Royal Air Force Nimrods operating out of Kinross in Scotland. In these remote northern airbases, discipline is warlike. There are even scrambles, super-secret intelligence briefings, and midnight sorties, and no reporter learns more than a fraction of what is really going on.

"Soviet sub sightings and transit routes are coordinated in an atmosphere redolent of World War II. At the joint Navy/Air Force maritime surveillance center, at Pitreavie near Edinburgh, the bunker is guarded by armed airmen, is nuclear blastproof, and would be self-sufficient for months in the event of war. From this concrete hold in the ground, the patient and secret tracking of Soviet submarines is handed over to the enormous U.S. Air Force base at Keflavik, Iceland, and from there to the eastern seaboard bases of Brunswick, Me., and Jacksonville, Fla.

"An ASW commander, once he has located a Russian sub, may 'ping him to death' by remorselessly directing active sonar at the submarine, informing it in no uncertain terms that it has been located and might as well come up. Without secrecy, a submarine becomes as vulnerable as an alligator on land."

(Atlas, January 1978, pp. 18-19, italics mine)

And if Britain knows how to manage the Greenland-Iceland-United Kingdom (GIUK) chokepoint, are we going too far when we assume that she knows how to monitor and manage the Strait of Gibraltar, the Dardanelles, or the Strait of Magellan (Falkland Islands), and all those other straits which she controls, even though the BBC Listener focused on the Greenland-Iceland-United Kingdom straits exclusively? And would we be far off the mark if we posited that Britain is making every possible effort to keep the horn of Africa out of Soviet/Cuban/ U.S./ Israeli hands?

If, then, Britain was a superpower twelve months ago, how much more a superpower she must be, now that all her advanced weapon systems are soon to be armed with successfully-tested, highly miniaturized H-bomb warheads of advanced designs, extending, as it will, the range and accuracy of Britain's delivery systems. Little wonder, then, that the pound exalts; the London Stock Exchange soars; the reserves of the Bank of England pile up, and Callaghan announces to the House Britain's resumption of her "proper place in the world."

Great Britain: Superpower--The City of London:
Financial, Shipping and Commodity Capital of the World

And to what end this striving for level nuclear parity? To sustain, nurture, and augment a complex global economic system knitted together by London, the financial center, not only of the sterling bloc, but of the entire world! London, and not New York, is the Queen of finance, insurance and shipping! The regal list is set down in Euromoney's (January, 1978) special survey (pp. 69-87) devoted to the City of London:

"The City of London

- . earns a £1.7 billion net surplus in foreign exchange annually.
- . earns a third of the country's net invisible surplus.
- . has doubled its foreign income during the last two years [astonishing in view of what was thought to be Britain's near bankruptcy in the fall of 1976].
- . has more foreign banks (over 275) than any other financial centre.
- . has more American banks than New York.
- . has the largest network of overseas bank branches.
- . operates the largest international insurance market in the world.

- . has a larger stock market turnover than Frankfurt, Paris, Amsterdam and Brussels combined.
- . accounts for the largest share of the worldwide Euro-currency market.
- . accounts for two-thirds of the world's shipping freight market.
- . operates some of the world's largest commodity markets."

(p. 69)

Now what is striking is that London's comparative advantage tends to grow, rather than diminish, with the expansion of New York and Chicago as world financial centers because such expansion widens and deepens the network, and London is Queen because she reigns over the networks:

"London's foreign business differs from that in other centres in two ways. In the first place it covers a far wider spectrum of activities--money, commodities, insurance, shipping, professional services and information services. New York has the money, the capital, the security houses and some of the insurance companies, though it shares commodities with Chicago and shipping remains primarily domestic. Zurich and Frankfurt are mainly money, capital and security centres. Secondly, the volume of London's international [italics Euromoney's] business dominates its total turnover in a way that only Zurich can emulate. . . (p. 71)

"London's relations with New York naturally looms large. These remain the twin centres of world finance. Only in London and New York is it possible to say that the money markets and stock markets have the depth to absorb vast international transactions on a daily basis without affecting prices unduly; and it is not by chance that the bulk of the huge currency surpluses of the newly-rich Arab world have been placed short-term in London and New York rather than elsewhere. New York's markets have the depth and resilience provided by the needs of the world's largest industrialized economy. London, by necessity, gains its extensive turnover from international transactions of all kinds.

"When New York opened its doors to international loans again three years ago, it was widely supposed that London would feel the draught. The results have not borne out the fears, not because New York has been unable to take advantage of the freedom from exchange controls, but rather because New York's reentry onto the world's capital market scene has simply widened the network [over which the city of London presides]."

(pp. 83-84). Italics mine.

No matter how hard the United States has hit Sterling since World War II by forcing one devaluation after another, the city of London has not only maintained its preeminence but enhanced it. When, for example, President Kennedy introduced the interest equalization tax to discourage Americans from lending money abroad and making dollars available to Britain, it spawned the Eurodollar and the Eurobond market which gravitated naturally to London. Similarly, the city of London over the past twelve months has once again bounded from off the ropes to retain its title as financial centre of the world.

And in preparing itself this time for the next go-round of dollar pressure on the pound, the Bank of England has been investing a high percentage of its reserves in United States Treasury notes so that the Bank of England will have immediate access to dollars without suffering unduly high losses, since, unlike the city of New York, the United States cannot easily go bankrupt. Indeed, Britain's buying-up of treasury notes was on such a magnitude (\$2-3 billion a month) that when Britain offered to buy up more than two-thirds of one month's issue, the Federal Reserve moved in to limit the amount. This large-scale investing at first propped up the dollar and then, when Britain pulled out in December and offered to buy only a few hundred million, the dollar plummeted and required the first massive intervention by the Federal Reserve Board.

Great Britain: Sceptred Isle

Little England indeed! Awesome superpower astride the crucial chokepoints of the world; world centre of international finance, insurance, shipping, and commodities; head of a world-girdling Commonwealth of thirty-six states, rich in natural resources and cheap labour power; a state governed by agile, adroit, experienced, innovating masters of statecraft and stagecraft; a regal establishment sustained and defended, strategically by the Royal Navy's independent nuclear deterrent, the Polaris, strategically-tactically by V-bombers, Jaguars, Buccaneers and Nimrods, manned by RAF crews which have no peers, and by a fleet unmatched by any European NATO power and so beyond the Soviet's "Navy" as to stretch comparison to the edge of meaning, and covertly by a network of intelligence services and clandestine operations so advanced, complex, and effective that they alone of all the intelligence systems of the world, deserve five stars-- does not such an England still remain the sceptred isle?

The United States at Bay? Israel at Sixes and at Sevens?

This is the Great Britain which is now squared off against the United States in Europe, in Cyprus, in the Caribbean, in South America, in Asia, in Africa and the Middle East. It is this Great Britain that is contending with the United States over the Law of the Sea, over the structure of the economic and political systems of the Third World, and over a comprehensive test ban treaty to determine whether Britain's

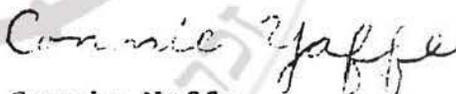
attainment of level parity will be congealed, or whether the United States will escalate to ultimate strategic weapons. It is this Great Britain whose shadow hovers over the Sadat-Begin negotiations--now ominously when Britain scores a victory on one or more of the many fronts, and now less threateningly as the United States gains mastery.

When such titans are locked in combat to determine the shape of the world to come, Israel can hardly expect the United States to do for Israel what it cannot do for itself. So long as Callaghan has Carter at bay, the Israeli-Egyptian talks are bound to be stalled. But of this we can be sure--the United States is as firm in its support of Israel as ever. Perhaps, even more so, since Israel is the only secure United States salient in the Middle East--a salient which offers the United States hope in its struggle to wrest the straits of Bab-el-Mandeb from British control; to protect the Straits of Tiran from British intrusion; and to keep the Suez Canal in the hands of an anti-British ruler. And since the United States has as yet untapped economic, technological, and intellectual resources beyond those available to Great Britain, Israel has more hope for a peaceful and prosperous destiny than those states whose survival is dependent on British power, however impressive and frightening that power may be. The spiral of development may be halting, but it is by no means halted.

Globally yours,



Ellis Rivkin
Editor-in-Chief and Publisher



Connie Yaffe
Managing Editor and Research
Associate

Post-Scriptule

After completing this issue, we came upon several items of such import that we felt we should share them at once with our readers:

Arab Investments and the Dollar Crisis

Although we have been aware of the crucial role which the investment of Arab oil funds must be playing in the struggle between the dollar and the pound, we have found it very difficult to find precise information on the extent of these holdings; the structure of the portfolios of these holdings; and, what is most crucial, the shifting of these holdings from one currency system to another. Unfortunately,

the data I had collected during 1976 when the pound was falling and which gave some exact figures of how much the Arab states were transferring from sterling into dollar accounts were lost with my journal while touring Greece during my sabbatical.

This loss has been to some extent offset by some figures published in To the Point International (23 January, 1978), p. 15, revealing the extent to which Arab oil revenues are invested in dollars, and the catastrophic consequences for the dollar should the Arabs and especially the Saudis shift their dollar investments to sterling and other currencies:

"... The U.S. has to watch these relations [to the oil exporting countries] both to safeguard the flow and the price of its imports and to encourage the oil exporting countries to maintain and even increase their investments in dollars or dollar-related assets. If the Arabs were to prefer other currencies or assets--and December's sudden dive in the dollar suggests they are tending in that direction--the huge amounts involved would damage U.S. economic power, prestige, and leverage. . . . As economist Samuel Brittan explains, if there were confidence in the dollar, the oil producers' 40,000 million [i.e., \$40 billion] surplus could comfortably offset the U.S. trade deficit. 'The weakness in the dollar pretty clearly reflects a shift in the portfolio preferences of the Arabs.'

"The Arab oil producers--led by Saudi Arabia with \$55,000 million [i.e., \$55,000 billion] of its reserves in U.S. denominated investments--hold dollar assets of \$150,000 million [i.e., \$130 billion]. While there is little fear that existing dollar assets will be liquidated, there is real anxiety that the Arabs may divert some of their new surpluses elsewhere. A London banker has warned that support operations for the dollar, and interest rate differentials would have little effect if this happened on any scale. . . ." (Italics mine)

The oil exporting states, especially Saudi Arabia, have found themselves in a double bind. Having decided to fix oil prices in dollars when the dollar was riding roughshod over the pound, these states now find that their incomes insofar as purchases outside the dollar system are concerned has dropped, at the very moment when their dollar deposits in American banks, their dollar investments in American bonds, and their dollar investment in American securities are depreciating. At the same time, these states see the value of sterling rising dramatically against the dollar. Hence they are understandably tempted to pull out of dollars and shift to "harder" currencies. Among these harder currencies sterling is extremely attractive, not only because the pound has risen from \$1.60+ in December 1976 to \$1.94+ in March 1978, and not only because the interest their deposits earn from British banks are highly favourable, but because as pointed out in the body of the Newsletter, only London can absorb capital

flows in such huge amounts. The mark, the Swiss franc and the yen may seem to be "stronger" than the pound, but Frankfurt, Zurich, and Tokyo can only absorb a fraction of what London can!

The tables are turned once again. When the price of oil skyrocketed after the Yom Kippur War in 1973, Britain took a battering because overnight she had to shell out vast sums to meet her oil needs. As a consequence her balance of payments staggered downward under this pressure.

As time went by, however, the billions which were being paid out by Britain, the EEC, the United States, Japan, etc. began to find their way to British banks for deposit, and to British securities for investment. The upshot was that within time Britain was in balance as far as her oil accounts were concerned--the \$10 billion, let us say, Britain spent on oil was offset by the \$10 billion which the Arab states reinvested in Britain. In addition, the high price of oil which at first was so deleterious for Britain's balance of payments, opened up the possibility for an oil bonanza from the North Sea.

This relief, however, was short-lived; for the United States mounted an all-out offensive against the pound in 1976, beating it down to \$1.59+. This decline in the pound encouraged the Arab states to pull out of sterling and invest in the dollar. For six months or more in 1976, from about June to December, the withdrawal of Arab funds was massive. The shock to sterling was so shattering that Britain had to come hat-in-hand to the International Money Fund for a loan to bail her out, and had to agree to conditions which, for the first time, intruded on Britain's hitherto sacredly guarded sovereignty over her budget.

And now it is America's turn, as Britain lures Arab capital out of the declining dollar and into the bouncing pound. To defend the dollar at all costs in the face of such a massive outflow would be hazardous indeed, since it would mean reducing U.S. reserves without any guarantee that the tide could be stemmed.

In addition, it should be pointed out--though a full analysis must await a future newsletter--that American banks have lent tens of billions of dollars to Third World countries, many of whom belong to the Commonwealth-sterling bloc, and many of whom are perched on the edge of bankruptcy. These days Chase Manhattan--not to speak of Citicorp, Hanover Manufacturers Trust, etc.--needs a friend on Thread-needle Street.

The pivotal role of the Saudis in effectuating any Middle East settlement can now be spelled out in dollars and pence. The request for F-15's can no longer be easily brushed aside. The need to offset British training of Saudi aircrews with American training of those who will fly American aircraft becomes more imperative. As a consequence, the Sadat-Begin talks mark time as Carter and Callaghan play their cards close to their chests, each hesitating to call the "bluff" of the other, lest neither be bluffing.

"The major reason the Israeli-Egyptian agreement has to be worked out before a Geneva meeting is that there be no opportunity for Britain to obstruct the Middle East settlement at such a conference. The Israelis and the Egyptians have to come as a bloc which cannot be dissolved. Once the Israeli-Egyptian settlement is worked out, the stage is set for the process by which the PLO will be legitimized and a Palestinian state built at the expense of Jordan. Once Sadat has successfully ended belligerency with Israel, he has altered the ideological presupposition of the Arab world and has thereby set a precedent which would allow even revolutionary Palestinian Arabs like Arafat to acknowledge Israel's legitimacy as a sovereign nation in the Middle East."

The scenario which is now being played out was thus visualized more than two years ago!

And, of course, Ben Gurion had anticipated this reconciliation at the time of Nasser's death, in his remarks to John M. Roots (Saturday Review, April 3, 1971):

"... In every conflict, there comes a time when to settle is more important than to get everything you want . . . and the time has come to settle. Today, above all else, as humans, we must have an end to destruction and bloodshed. We must look to the future. The moment has come for peace, and we must seize it.

"One reason I feel so strongly about the need for bold steps now toward a settlement is that I am certain eventual Arab-Israeli cooperation is inevitable. In fact, an Arab-Israeli alliance. [!] Geography and history make it so. The Arabs of the Middle Ages were the most civilized race in the world. They have much to give us, and I believe we, in turn, have much to give them.

"History has proved the absurdity of regarding traditional enmities as eternal. Nations which have been at each other's throats today may fall on each other's necks tomorrow. Look at France and Germany. Now, with the pace of change so rapid and radical, Arab-Jewish partnership may come faster than we think, and together we could turn the Middle East into one of the garden spots and great creative centers of the earth."

(Italics mine)

And Ben Gurion's confidence that if he and Nasser could have sat down together they might have settled everything between them, is now being fulfilled as Sadat and Begin sit down together to settle everything between them. This confidence of Ben Gurion that the Prime Minister of Israel and the President of Egypt could indeed sit down together and open the way to Arab-Israeli cooperation--"inevitable"

is the way Ben Gurion put it--and ultimately to an Arab-Israeli alliance, was expressed by Ben Gurion in so touching and prophetic a way, that his every word is worthy of iteration and reiteration:

"The former Prime Minister spoke again of President Nasser. He spoke with respect. There was a wistful note as he asked about the funeral in Cairo. 'I often felt,' he recalled, 'that if he and I could have sat down together, we might have settled everything between us. He was by far the greatest of the Arabs. He was the one man, and Egypt the one Arab state, strong enough to make peace.' Turning to the window, he spread his hands in a gesture of resignation. 'And now he's gone,' he said with emotion. What a pity he had to die.'"

(Ibid., italics mine)

How fortunate that Sadat is another man strong enough to make peace, and what a comfort that Nasser's death did not snuff out Ben Gurion's vision of a day when Arab-Israeli cooperation would be inevitable and an Arab-Israeli alliance an organic necessity.

In light of what we set forth above in the section entitled "Statecraft and Stagecraft," the dramatic quality of the Sadat visit to Israel was by no means fortuitous. If, in keeping with our analysis, we recognize that both Sadat and Begin are actors committed to the scenarios and scripts written by the "playrights" commissioned by the Washington Strategic Action Group (WSAG), to prepare viable scenarios for the Middle East "stage," then we must applaud the impeccable performance of the two prime actors, and especially that of Sadat, who not only played his part superbly, but who looked as though he had been chosen to play the stellar role. Perhaps in some future Newsletter we shall go into the dynamics of the "play" and share with you now it was designed in such a way that it was virtually impossible not to identify with both Sadat and Begin and to yearn for a full reconciliation.

And now for a word or two about the fundamental dynamics that we think may account for this scenario being played out at this time:

1. The American connection: A move to implement the long-range American goal of establishing Israel as a secure beachhead of developmental capitalism, with secure, largely pre-1967 borders, fully recognized by her Arab neighbors and fully protected by iron-clad international agreements.

Since the Sadat-Begin meetings represent only Act I, the Syrians are being held in reserve for Act II, to make certain that the dismantling of the old mind-sets and the fashioning of the new mind-sets have been effectively accomplished.

Once Syria is brought into the "play," then the Palestinian problem can be grappled with as Arafat more and more openly follows

the lead of his Arab brothers, Sadat and Assad. And, finally, the Jordanians, having been completely boxed in, and the rejection front exposed as obstructionists, a durable settlement can be envisaged as practical.

The need for successive "acts" is not only required so that old images can die away and new images be fortified, but also to be able to offset quickly any British move that would necessitate Israel still being pictured as the enemy by Syria and the Arafat groupings in the PLO.

Act I was played out at this time because of an opportunity which was opened up by certain British concessions to the United States. These concessions, however, by the British were seemingly offset by the significant concessions which the United States had to make to Great Britain.

This brings us to

2. The British connection. First, let us call your attention to the following facts:

a. Begin was supposed to meet with the British Prime Minister, James Callaghan, on the very weekend that Sadat chose to visit Israel. In Begin's letter to Sadat (the full text of which is to be found in the New York Times, Thursday, November 17, 1977), he specifically states that should Sadat choose to visit Israel on the weekend of the 16th, he would request Callaghan to postpone Begin's visit until after the Sadat visit. (Britain turns out, after all, to be an active participant in Middle East affairs, otherwise why would Begin be visiting London at all?)

b. Sadat, in turn, was supposed to have met with Callaghan over the same weekend. (Two strikes for Britain's ongoing role in the Middle East).

c. The substitution of a Begin-Callaghan, Sadat-Callaghan visit for a Sadat-Begin rendezvous would seem to be saying something about something.

The question, then, is why were Begin and Sadat going to visit Callaghan now, of all times, when visits such as these have occurred, if at all, rarely. We suggest the following contingent hypothesis: Great Britain, having successfully broken through to a new level of nuclear strategic power (see the newsletter of September 15, 1977), a level more fully confirmed by the successful testing within the past month of a new and advanced Polaris warhead with greater range and greater accuracy; and with Britain's successes in Somalia which, for the time being at least, gives her control over the strategic Horn of Africa, and with her successes in stalling the Rhodesian settlement and gaining time for South Africa through the vetoing of economic sanctions against South Africa; and with the opening-up of renewed hope for the weakening and the possible overthrow of the Neto regime

in Angola, she may well have considered the time ripe to reintroduce herself as an acknowledged superpower with vital interest in the shaping of any Middle East settlement.

In order to offset this move by Britain, did the United States offer Britain the following major concessions in return for a Sadat-Begin get-together:

a. The United States would temporarily separate the straits issue involving Bab el-Mandeb and the Horn of Africa from the territorial issue, that is, Sinai, the Gaza Strip, the West Bank and the Palestinian question.

b. The United States would remove its objections to limiting the range of the cruise missile from 200 miles or so to a range of over 1,000 miles, which Great Britain has demanded as a prerequisite for not splitting NATO apart. On the day that Sadat accepted Begin's invitation, the Soviets agreed to abandon her objection to the long-range cruise missile, pointing to a possible connection. (The significance of the long-range cruise missile is that it becomes a strategic, rather than a tactical, nuclear weapon and puts the Soviet Union and her satellites in range of an emerging new British missile system.

c. If this hypothesis is correct, then Begin's cancelling-out his visit to Callaghan was agreed to by Britain as part of the quid pro quo.

There is an alternative hypothesis that the United States arranged for the Sadat-Begin meetings as a form of open defiance of Great Britain. If this hypothesis is correct, then we would anticipate that Great Britain's client states throughout the world and Great Britain's covert forces in such groupings as the PLO will launch aggressive counter-attacks aimed at blocking Acts II and III as visualized by the American "playwrights." Pointing in this direction is the fact that the border between Iraq (Britain) and Syria (U.S.) was closed on the day that Sadat accepted Begin's invitation.

At the moment, we tend to lean to the first hypothesis, since the concessions made to Britain, especially with respect to the cruise missile, is, in the calculus of power, the highest kind of concession that can be made.

In sum, therefore, the Begin-Sadat meetings represent, on the one hand, a major breakthrough on the road to a Geneva settlement, which will give Israel the security she needs, and, on the other hand, it does not cover over the fact that the United States may have been compelled, for the nonce, by Great Britain, to unlink the Israeli territorial settlement from the strategically vital issue of the Bab el-Mandeb Straits and the Horn of Africa.

We nonetheless still feel confident that the United States will, in time, find sufficient ways and means to overcome Britain's nuclear breakthroughs by designing exotically new instruments capable of rendering Britain's nuclear arsenal harmless, along with more effective

utilization of covert operations, such as those carried out by the Cubans to undermine and dismantle the British client states from within.

But despite the shadows which dim somewhat the glow of peace kindled this past weekend, we still have faith that Isaiah's vision will be fulfilled in a future not so distant that it will not be witnessed by all of us:

"In that day Israel will be the third with Egypt and Assyria, a blessing in the midst of the earth, whom the Lord of hosts has blessed, saying:

'Blessed be Egypt My people, and Assyria the work of My hands, and Israel my heritage.'"

(Isaiah 19:24-25)

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1 While proofreading the Newsletter, we noticed that we had failed to include the London Times report revealing former Prime Minister Harold Wilson's role in bringing about the settlement of the Lebanese war. We now quote from Bernard Levin's column:

". . . The Arab League's peace-keeping force for Lebanon . . . was his [Wilson's] idea, and there is an interesting story which is worth telling. . . He [Wilson] endured uncomplainingly the hostility aroused by his willingness to entertain various oil-sheikhs and other potentates during the last period of his premiership, when he was accused of going cap-in-hand to them, but his critics did not know that in fact all talks of loans and the purchase of British companies, for which Sir Harold was reviled, was nothing but a 'front'; all the Arab visitors were in reality plenipotentiaries going back and forth between Sir Harold and the warring parties, as he developed the plan that has at last borne the fruit of peace for Lebanon."

From The London Times of November 18, 1976.

We also note that we failed to include a highly symbolic event which occurred at the time of the Sinai settlement, as reported in the Cincinnati Enquirer, as follows:

"Egyptians and Israelis met in the Sinai Desert since and exchanged the remains of two Jewish terrorists hanged in Cairo 30 years ago for more than 20 Arab prisoners.

"Egyptian soldiers returned the bodies of Eliahu Hakim and Elihu Beit-Zouri, who were tried and executed by Egyptian authorities for the assassination in November, 1944 of Lord Moyne, the top British government official in the Middle East during World War II. . . .

"Israel said the remains of Hakim and Beit-Zouri will lie in State Thursday in Jerusalem and will be buried on Mount Herzl with full military honors. . . . Israeli authorities have described Egypt's willingness to return the bodies as a 'softening element' in Mid-East peace efforts."

(Italics mine)

The "softening element," we would suspect, was the symbolic acknowledgment that Egypt and Israel had jointly defeated their common enemy, Great Britain. The symbol was further expanded by according the slayers of Lord Moyne a funeral with full military honors for two individuals who had dared to challenge so audaciously the British imperium in the Middle East.

