

Mideast Peace Talks At Impasse As Begin Bends To Kissinger, Dayan

Israeli Prime Minister Menachem Begin's refusal to make meaningful concessions in talks with Egypt last week marks a dangerous capitulation to Foreign Minister Moshe Dayan and other right-wing Israeli intransigents who are intent on blocking any compromise on the crucial Palestinian issue — the key to a Mideast peace settlement. Begin's capitulation has deadlocked Mideast peace negotiations, keeping the way open for an escalation of efforts by British intelligence networks linked to Henry Kissinger and Dayan to scuttle the peace process altogether.

Begin's capitulation was dramatized last week at a dinner in Jerusalem for participants in the Israel-Egypt Political Committee talks begun just two days earlier. In his toast, Begin rejected any compromises by Israel and publicly insulted Egyptian Foreign Minister Mohammed Ibrahim Kamel. The following day, Egyptian President Sadat recalled Kamel to Cairo, collapsing the Jerusalem talks.

Since the start of the Begin-Sadat dialogue in November, Dayan and his allies in the government have been continually attacking Begin, pressuring him to drop his initial position of flexibility and abandon his intentions to offer concessions for the sake of an overall peace settlement. By forcing Begin to adopt an uncompromising stance and threatening to upend the entire peace process, Dayan hopes to break Egypt's commitment to an overall settlement and force Sadat into signing a separate peace accord that would leave the region dangerously unstable.

Dayan and Kissinger Collaborate

Dayan's plans to sabotage the Jerusalem talks were clear from the outset. "The Egyptians can stay as long as they like and go whenever they like," said Dayan upon Kamel's arrival in Israel. In another statement, Dayan remarked that it was better to let the peace initiative slip away than to "jeopardize Israel's existence." One Middle East expert noted that Begin was too "boxed in" by Dayan's maneuvers to follow through with any important concessions to the Arabs.

Dayan's efforts to break off the peace talks are backed fully by Henry Kissinger, who in an interview last week recommended that the peace process be removed from public view, a move that would allow British intelligence and allied saboteurs to heighten their manipulation of the parties involved.

Reinforcing Dayan's pressure tactics against Begin and Sadat is the British press, which has been systematically cultivating Israeli apprehension by reporting that "the Sadat regime is essentially unstable," giving weight to the Dayan clique's demands that Israel maintain a hardline position to ensure rock-bottom security guarantees capable of "outliving" individual "moderate leaders" like Sadat. Exacerbating Israeli intransigence are reports conducted by the British media of an imminent Soviet offensive in the Horn of

Africa aimed at overtaking U.S. sea routes for oil supplies.

Confronted by Israel's stonewalling and hampered by British control — via Kissinger and national security adviser Zbigniew Brzezinski — over key policy-making areas, the Carter Administration is waffling on formulating a solid regional development perspective that would provide crucial support for Sadat and a galvanizing kick for Begin to break through the current deadlock. In addition, Carter is hamstrung by the Dayan-connected "Israel Lobby" in the U.S., which has restrained Carter from pressuring Begin into making vitally needed concessions to Sadat, who is out on a limb and threatening to resign.

The U.S. press has ignored the real and substantive issues that have collapsed the negotiations and instead has concentrated merely on "keeping the talks going" — never mind about what. The *Washington Post* explicitly suggests that the U.S. "not take sides," while the *New York Times* says that the U.S. should put pressure not on Begin but on Sadat, whose position is described as "rather unbending!"

In contrast, the French and German press are stressing that it is Egypt which has made all the concessions and has received nothing in return, and that is up to Carter to push Begin to make the required concessions to ensure peace. Similarly, West German Chancellor Helmut Schmidt has called on his government to lend all-out support to Sadat.

The British View: Cold War in the Mideast

Former British Prime Minister and Rothschild provocateur Edward Heath, just returned from a visit to Egypt, Syria, and Jordan, unabashedly declared in a London Sunday Times guest editorial Jan. 15 that the main goal of the City of London faction is to freeze the Soviet Union out of any Mideast peace initiative. Heath's article, titled "Now for a Great Leap Forward," reads in part:

Will President Sadat's great leap forward land firmly on the other bank? ... In the event of failure, no one I met has any doubt that the Arab world will become so cynical about both the genuineness of the Israeli desire for a settlement and the willingness of Europe and the United States to support a real attempt to secure this by the Arab leaders that these countries would turn instead to the Soviet Union for supplies, and make yet a further military attempt to regain their land from the Israelis. Acutely aware of the recent Soviet activities in the Horn of Africa and their advance in the south of the continent, there are few in Saudi Arabia who want to see an opportunity provided for a further extension of Soviet influ-

ence. Nor can this be in the interests of the Western world....

(The solution posed by Heath is the creation of a) European military force, in which the Soviets would have no part, to guarantee the territorial settlement in the Middle East. Of course, this would have to be at the express

request of the parties concerned....

The stakes are high for all of us. We can bring peace and greater prosperity to the people of the Middle East or we can risk Soviet infiltration and the ever-present danger of conflict.

Miller: A Traitor At The Head Of The Federal Reserve

Reports from Capitol Hill point to extremely shady dealings surrounding the confirmation hearings of Carter appointee to chair the Federal Reserve Board, G. William Miller. Senator William Proxmire, Chairman of the Senate Banking Committee in charge of the confirmation process, has now scheduled those hearings for Jan. 24. No public witnesses will be allowed to testify, thereby precluding the voicing of *any* important objections to the Miller appointment.

The fancy footwork around the hearings is only the tip of a major, stinking scandal. The U.S. Labor Party National Executive Committee issued a call last week for Congress to open a full investigation into the treasonous conspiracy now trying to ram the Miller appointment through. In its statement, the National Executive charged that "Miller is a leading British agent-of-influence infiltrating the United States, and is the anchorman of a British intelligence plan to destroy the United States economy."

What Miller Will Do

Congressional confirmation of G. William Miller, the close ally of Felix Rohatyn of Lazard Freres, will mean the beginning of the end of the U.S. dollar as the international reserve currency. Leading City of London and New York merchant and investment bankers, Lazard Freres, Hambros, N.M. Rothschild, Goldman Sachs, Salomon Bros., and others, plan to use Miller to impose reserve regulations—dubbed euphemistically "exchange controls"—on the Euromarkets which would knock commercial banks out of business. In their place, this British conspiracy would resurrect the pre-1914 "British System" of world credit based on bill-brokering and concentrated *strictly through their own institutions*.

The "exchange control" program is the international side of Miller's policy to channel all credit controllable by the U.S. Federal Reserve out of long-term productive capital formation and consumption, and into labor-intensive, low-wage pyramid-building typified by the "sweat equity" slum construction programs imposed on New York City by Rohatyn's Municipal Assistance Corporation.

The chief economist of a leading Rothschild bank in Europe outlined Miller's five-point marching orders in an exclusive interview with the *Executive Intelligence Review's* European Financial Editor on Jan. 17:

1. The U.S. dollar will be annihilated as an international currency—not merely weakened—through the implementation of exchange controls similar to those now prevailing in Britain. Currently, world trade depends mainly on uninhibited exchange of dollars and other currencies.

2. The U.S. economy will be sabotaged through the creation of a perverse "two-tier credit structure" designed intentionally to channel funds out of industrial and related productive areas, and into support of the debt structure.

3. The Federal Reserve will specifically favor real estate investment and speculation rather than industry loans, to the specific benefit of London investors taking advantage of the cheap dollar.

4. The United States economy will be placed under a Schachtian program, shifting the labor force into forced-work, capital-poor, government-funded employment.

5. The Soviet economic sector will be put through an economic crisis in the short term leading to political and military destabilization.

Proposed Exchange Controls

Conversations with aides to Miller ally, House Banking Committee Chairman Henry Reuss (D-Wis.), and leading New York financial community spokesmen detail the nature of these planned "exchange controls." Reuss' Dec. 12, 1977 letter to then-Federal Reserve Chairman Arthur Burns, which called for the imposition of full U.S.-level reserve requirements on all banking operations in off-shore currency markets, was the first step, according to an interview provided *EIR* by an independent journalist with Jane D'Rista, Reuss' well-known international banking aide.

The reserve requirements, she said, constitute the most effective means of exchange control for a thoroughly internationalized currency such as the dollar—and *the* major proposal being pushed at this time by any government or academic authority. D'Rista also acknowledged Miller's receptivity to the proposals.

Parallel action by foreign governments is essential to the success of the plan, according to the Reuss aide. Especially nasty, for example, is the German situation, where the British intelligence-connected Federal Credit System Oversight Commission in Bonn has been warning that the Luxembourg-Eurodeutsche mark market is too speculative. Shutting down German commercial banks' operations in Luxembourg would kill the currently quite