

French-Saudis Agree on Need for Middle East Settlement ; Open Way for Substantial Trade

French President Valery Giscard d'Estaing's four day trip to Saudi Arabia on Jan. 22-25 marked an important step forward toward the negotiation of a global Middle East settlement within the coming year. Both parties, led by Saudi King Khalid and the French President, fully endorsed the need to bring the longstanding Middle East conflict to an end "without delay." This general political statement of agreement on the need for peace in the Middle East set the tone for the negotiation of sizeable foreign trade deals between the two countries, which could be rapidly extended in the coming months.

By agreeing to push for a rapid solution to the Middle East conflict, the Saudis and the French have, in the words of the London Times journalist Paul Martin, thrown a direct "challenge to the Carter Administration" to cease stalling on this issue; they have simultaneously laid the basis for Europe to play a much greater role in getting the peace settlement off the ground.

King Khalid himself took the lead in shaping the political discussions during Giscard's trip in his interview to Agence France Presse on Jan. 23. During the interview Khalid called on France to play an "imminent role" in rallying the rest of Western Europe to publicly support a global settlement, including mutual recognition of the legitimate rights of the Palestinians. As part of Khalid's effort to directly involve France in the organization and conduct of the peace settlement, the Saudi King suggested France should participate in a Geneva conference.

Giscard, faced with a tough political battle back home, could not afford politically to leave Riyadh empty-handed. He at the very least met Khalid more than halfway by declaring to the press shortly before his

departure from Saudi Arabia on Jan. 25 that "there is no reason for the Geneva conference participants to believe that the chances will be better in the future...than they are now." Although Giscard vetoed immediate French participation in Geneva discussions, he left the door open for a future seat by stating that if at some point France's presence was deemed "desirable" she would certainly attend.

The final joint communique released on Jan. 25 also reflects a parallel concern on the part of the Saudis and the French for the evolution of the international economic situation. Both delegations renewed their commitment to work for a "more equitable and rational new world economic order, which they esteem to be indispensable to international peace and stability." One aspect of this effort was recognized to be the extension in depth of the Euro-Arab dialogue.

The very positive political tone of the Giscard-Khalid meetings have already borne fruit through the negotiation of a series of preliminary trade deals. In addition to concluding contracts with the French nationalized oil companies Elf-Erap and CFP to increase imports of low-priced Saudi oil to 42 million tons over the next three years, agreement was reached on the construction by the French of a nuclear energy research center in Dharan, Saudi Arabia. At this point, it also appears that Saudi financing of a multibillion franc British-French armaments industry in Egypt has been assured, while discussions are still underway for a 3.5 billion franc housing construction program with the French. At least one report has suggested that plans may be afoot to reconstruct the devastated city of Beirut, Lebanon using French technology and Saudi money.

Cyprus Issue To Be Settled "NATO's Way"?

A week before his inauguration, Jimmy Carter announced that one of the focal points of his foreign policy would be the Cyprus question. Indeed Carter did not even wait until his formal assumption of power: the Turkish forces who are occupying 40 per cent of the Island quickly stepped up the expulsion of the Greek Cypriots from Turkish controlled territory — an act which has rapidly increased the tension on Cyprus to an extreme point. Just how Carter plans to "deal" with the issue of Cyprus has been explicitly described by the Communist press of Greece and Cyprus.

Rizospastis (newspaper of the Greek Communist Party — KKE), Jan. 16:

Multisided conspiracy — encouraged by the position of Karamanlis' government — is being presently carried

out by the American imperialists through the "mediation" of the EEC in order to impose the NATO partition "solution" on Cyprus. As our correspondent reports from Nicosia and as it is now confirmed by NATO circles, the aim of Carter's "initiative" around Cyprus is the Americanization of the British bases there and to ensure U.S. military presence on the island.

The BBC reportedly revealed that "there may be a shift in the dominance over the bases and in the orientation of their purposes," adding that the exchange of a "just" (NATO) solution of Cyprus "may be the American presence in Cyprus instead of the British."

... Observers of the related developments note, in parallel, that the intensive activities of the Atlanticists around Cyprus and around the "suspended issues" on the southeastern flank of NATO will enter a new, decisive