

Carter In The Mideast: Weak In Policy Direction

Jimmy Carter's swing through Iran, Saudi Arabia, and Egypt this week did not provide lucid guidelines as to the future direction of U.S. Mideast policy. Carter left in his wake a series of ambiguities that hopefully will be clarified only when U.S. Secretary of State Cyrus Vance participates in three-way talks with the Egyptian and Israeli governments in Jerusalem Jan. 15.

The most revealing moment in the trip was a "whistle-stop" meeting in Ismailia, Egypt, with Egyptian President Anwar Sadat. Worried by the refusal of Israeli officials up to this point to publicly recognize Palestinian Arabs national interest, Sadat and other Egyptian officials had hoped to obtain from Carter a pledge of U.S. support for the Palestinians' right to self-determination. This combination of hope and worry had been heightened by Carter's own sudden expressed opposition last week to an independent Palestinian Arab state and his unequivocal endorsement of Israeli Prime Minister Begin's controversial plan for Palestinian Arab "self-rule" in the West Bank and Gaza Strip territories.

In Ismailia, however, Carter stuck to a solidly "middle" position, reiterating American support for "the legitimate rights of the Palestinians" that had been stated in the October 1 U.S.-Soviet joint statement on the Mideast, but limiting the U.S. position on the self-determination question to the Palestinians' "participating in the determination of the future."

Reacting mainly out of fear of not getting solid U.S. support, Sadat on Jan. 4 attacked the Palestine Liberation Organization as "irresponsible" and stated his preference that Jordan's King Hussein represent the Palestinians

But elsewhere Carter's statement was poorly received. A PLO spokesman in Beirut charged that "the American president seems to be unaware of what he really wants. It does not become a superpower to be unable to formulate a policy on a specific issue. It is high time for the Carter Administration to make up its mind and tell us what it really envisages for the Palestinian people."

Similar strains were evident in Saudi Arabia. Less than an hour after Carter left Riyadh, Saudi Prince Fahd told interviewers that he "can not claim that there was total agreement" between the two countries. Coupled with press reports that the Saudi ruling family had demanded U.S. action to defend the dollar, the Saudi Arab News editorialized, "Our diplomatic patience is not inexhaustible...Friendship is not a two way street; sooner or later the U.S. will have to deliver."

Observers in Riyadh reported that the Saudis were particularly irked over leaks by a top unnamed "U.S. official" that the two countries' positions were convergent on the Palestinian issue. In reality, the Saudis remained adamant about the need for an independent Palestinian homeland in the West Bank and Gaza that would include that participation of at least the moderate-centrist faction of the PLO centered around PLO chairman Yasser Arafat.

According to French press accounts, Carter's positions had received "violent opposition" from King Hussein during their Dec. 31-Jan. 1 tete-a-tete in Teheran. The King was reportedly dead-set against joining the Egypt-Israel peace talks *until* broader concessions had come from Israel; Carter reportedly pressured the King to jump on board the talks irrespective of any new Israeli moves.

Europe's Programmatic Input Keeps Mideast Peace On Track

The failure of the recent Sadat-Begin Ismailia meetings to achieve at least preliminary agreements toward a Middle East settlement did not wreck the overall negotiation process primarily because the leading nations of Europe have intervened in the situation to keep that process going. While the Europeans have developed a political credibility with both Arabs and Israelis, the primary content of the European intervention has been an effort to give Middle East peace negotiations an economic basis in programs for Middle

East regional development.

The key to this thrust has been the effort to create a new banking center in the small nation of Luxembourg which could serve as the nucleus of a new gold-backed international monetary system. That system would be the international premise for cooperative national and regional co-development agreements between Arabs and Israelis. Recent reports from banking circles in Western Europe have confirmed that France and West Germany are coordinating their work toward such a "Luxembourg

system" with Saudi Arabia, and that this has been the key to keeping Mideast peace efforts on track despite the recent setbacks.

The ten-day visit of West German Chancellor Helmut Schmidt to Egypt was an expression of the same deliberate link-up of peace negotiations and development program. Politically, Schmidt stressed to Egyptian President Sadat that the Soviet role had to be maintained. While in Cairo, Schmidt also met with two PLO members. On the economic side, Schmidt reportedly discussed the sale of two West German nuclear reactors to Egypt. Recently, Egypt purchased two nuclear reactors from France.

In policy towards the Mideast itself, both France and West Germany have maintained that (a) a separate peace between Israel and Egypt is unworkable, stressing that Israel make peace with all her neighbors; (b) both the United States and Russia have an equally important role to play in shaping a future peace; and (c) that the "legitimate rights" of the Palestinian people be addressed. It is mainly on the question of Palestinian rights that European and Saudi views converge. Saudi Arabia has let it be known that it will not flinch on the demand for the establishment of a Palestinian state and that the PLO has a role to play in such a state.

Notably, the tiny nation of Luxembourg itself recently established diplomatic relations with Saudi Arabia and extended recognition to the PLO as the legitimate Palestinian spokesman.

Reports of Schmidt's trip to Egypt indicate that the West German leader discussed a comprehensive development plan for that nation with special emphasis on the concept of "labor power." According to the assessment of the Frankfurter Allgemeine Zeitung last week, the

Chancellor impressed upon his Egyptian interlocutors that it was not a Marshall Plan that Egypt needed but, instead, investment in the development and training of labor.

West Germany's positive intervention is being supplemented by the increasingly important, albeit behind-the-scenes, role which France has played in the last weeks. In an ABC-TV interview, French President Giscard d'Estaing stated that France has a key role to play in the Mideast as the guarantor of security in the area. He also said: "At the appropriate moment, the USSR should assist in the application of the Middle East peace process: it is not possible to obtain guarantees if one of the superpowers remains outside the accord."

In the area of economic cooperation, France sent a high level delegation to Saudi Arabia in the past week comprised of the Ministers of Cooperation, Industry and Economic Planning to discuss bilateral accords. Rumors have circulated to the effect that Saudi Arabia is interested in purchasing nuclear reactors from France. In addition to the French industry delegation in Saudi Arabia, French national assembly speaker Edgar Faure made a swing through the Mideast last week. Stopping first in Kuwait where he attended a symposium on Palestinian rights, he then went to Egypt for three days of talks. In a three-hour meeting with Faure, Sadat said that he looked forward to further "European involvement" in the Middle East and declared that Giscard d'Estaing would be the first statesman he contacts after his Aswan meeting with Carter on January 4.

Faure has close business contacts in Egypt. The newly appointed Foreign Minister Kamel (formerly ambassador to West Germany) sits on the Board of Directors of a company owned by Faure.

Dayan Insurrection In Israel Gets Brzezinski's Support

A political insurrection by General Moshe Dayan, Israel's foreign minister, has slowed the momentum of Middle East peace talks and threatens to lock Israel into an intransigent position vis-à-vis the crucial issue of the Palestinians and the future of the West Bank. The growing power of the Dayanists in Israel was the chief cause of the failure of the Ismailia talks between Egyptian

Minister Begin to come up with a statement of principles, as intended, to serve as a guide for future negotiations.

The Dayan insurrection is taking two forms: internally, extremists and fanatics from across the Israeli political spectrum are being rallied by Dayan to oppose the initial signs of a compromise by Begin on the West Bank; outside Israel, the Dayan forces, British Intelligence, and the circles associated with National Security Council director Zbigniew Brzezinski are planning to expand the current wave of assassinations and terror to permanently harden the Arab position against negotiations.

According to sources in the intelligence community, Dayan has been meeting regularly with British Intelli-

gence to pursue this scheme. It is this conspiracy, the sources said, which has given rise to the widespread reports of a split between Begin and Dayan. The split came out in the open when, upon their return from the talks in Egypt, Dayan walked out of a press conference when he was slighted by Begin, according to the *Washington Post*.

In the U.S., Dayan is being aided by Brzezinski and former Secretary of State Henry Kissinger. So far, Brzezinski has prevented President Carter from adopting a clear position on the Palestinian issue, while in an interview with a French weekly Brzezinski said, "Bye-bye PLO," in a reference to the intended exclusion of the Palestine Liberation Organization from Middle East negotiations. The PLO issued a series of attacks on Brzezinski following his remarks, and named him in the murder of the PLO's London representative, Said Hammami, on Jan. 4. The killers of Hammami, the PLO said, were "marching in the treadmill set up by Brzezinski and U.S. policy." In an earlier statement, the PLO said that it would hold British authorities responsible for Hammami's murder.