

# Saudis, French plan energy future

*Fahd visit to Paris also encourages Europe's pronuclear stance*

Crown Prince Fahd of Saudi Arabia, the Foreign Minister Prince Saud, and Riyadh Governor Prince Salman arrived in Paris on May 12 for a series of crucial meetings with French leaders including President Valéry Giscard d'Estaing.

The Fahd-Giscard summit talks, which covered a broad range of topics including the crisis in the Middle East and the world energy situation, ended with the establishment of a working partnership between Paris and Riyadh that will coordinate a challenge both to the Carter Administration's Camp David war strategy and to the City of London's Great Oil Hoax.

The most important aspect of the Saudi-French discussion was the apparent agreement to bust up the traditional London control over the world oil market.

In a speech delivered on the eve of Fahd's arrival in Paris, French Prime Minister Raymond Barre declared that France would take the initiative in upcoming talks among the members of the European Community to do away with the uncontrolled oil market in Rotterdam, Holland, where, Barre said, the major oil companies—especially British Petroleum and Royal Dutch Shell—hold Europe hostage by their ability to jack up oil prices through speculation.

The Barre statement received immediate support from Prince Fahd. In a radio interview, the Saudi leader stated that his country was prepared to offer Western Europe assurances that it could have all the oil it needs, at fair prices, and that "price anarchy" must end. Fahd directly attacked international oil speculators, including the major oil companies.

The French and Saudi statements are unprecedented in recent history. They show a firm determination to stabilize the world oil market on the basis of long-term, oil-for-technology deals, reducing the role of the Seven Sisters in controlling world oil.

## **World oil conference?**

What lies behind the new French-Saudi links? For several months, the French, Saudi Arabia, and Mexico have been leading an international effort to convene a world energy conference. According to one of the architects of the conference, Saudi Oil Minister Zaki Yamani, the meeting would be held to discuss a

comprehensive solution to the world economic crisis, including energy, raw materials, debt, and industrial development in the Third World.

It was this perspective several months ago that motivated President Giscard to call for an Arab-African-European summit of heads of state, to implement the Grand Design behind the newly formed European Monetary System.

Now, in a speech delivered on the occasion of Prince Fahd's visit, Giscard suggested that a partnership between Western Europe and the Arabs is key to rebuilding the world economy.

That was also the theme of an important meeting in Kuwait of the Organization of Arab Petroleum Exporting Countries (OAPEC). At the meeting, Mana Said Oteiba, the oil minister of the United Arab Emirates, praised Western Europe's stand on the Middle East and called for closer ties with the Arabs. But, he said, first the Europeans must recognize the Palestine Liberation Organization.

In an interview in *Le Monde* (see below) Fahd dropped a bombshell. "The Soviet Union is playing an important role in the area," said Fahd, whose country does not—yet—have relations with the USSR. The lack of diplomatic ties, said Fahd, should not be taken as a sign of hostility.

That was underscored by information from U.S.

## **Barre criticizes oil speculation**

*In an interview with the French daily Le Figaro May 8, Prime Minister Barre declared:*

If some countries do not understand the need to develop nuclear energy, they will pay for it very dearly in the future. As far as oil prices go, we have picked up excessive outbidding on the Rotterdam market, which has forced up prices in an abusive fashion. We must avoid speculative increases.

intelligence and oil industry sources. According to them, Saudi Arabia has already begun, quietly, to deliver oil to the USSR. Last week it was reported that a four-man Saudi delegation is preparing to make a visit to Moscow.

With Giscard having just returned from Moscow, it is evident that the USSR, France, and Saudi Arabia are now closely coordinating their strategy.

—Robert Dreyfuss

## Fahd: Saudi oil will advance cause of peace

*In Paris for a summit meeting, Saudi Arabia's Crown Prince Fahd gave the following interview to the French daily Le Monde.*

[The Israeli-Egypt treaty] is a call for war and not for peace, because it pushes our region towards violence and extremism and contributes to the shedding of even more blood. ... If the United States wants a just, permanent and global settlement, they must establish a direct dialogue with the PLO....

We are conscious of the important role that the Soviet Union plays in international politics and we want this role to be one of supporting the just causes of the Arabs. I do not think that one should necessarily interpret the absence of diplomatic relations between our two countries as a sign of hostility. As for the re-establishment of diplomatic relations, it is a question which will be settled around events which would contribute to a decision....

Even if new conditions have contributed to the increase of oil prices on the international markets, which has permitted the international oil companies to make enormous profits off of the oil producing and consuming countries and has led to a large number of oil countries not bending to the previous agreement on prices, the Kingdom of Saudi Arabia, for its part, will not make any unilateral decisions without prior consultations with the producing countries....

...I will not fail to praise the courageous attitude of France towards the Palestinian cause, our fundamental cause. I do not doubt that France, which plays a leading role in the European Community, will contribute much in bringing about a European attitude which will support the cause of peace in our region.

## French-Saudi cooperation 'a clearly hostile act'

*The New York Times expressed dismay over increased cooperation between France and Saudi Arabia in their lead editorial on May 16 which is excerpted below.*

That master showman, Anwar el-Sadat, is talking about a fund-raising drive of a magnitude normally attempted in the United States only for Israel by the United Jewish Appeal. He could, he says, ask Congress for a further loan of \$525 million for the 50 American F-5 fighters that Saudi Arabia promised to buy for Egypt but now won't. ...

Most probably, the Saudis now believe they have more to fear from an open rupture with more radical Arab nations, like Iraq and Syria, who do not trust the peace with Israel, than from a cooler relationship with the United States ....

America's dependence on Saudi Arabia at the moment is boundless, and it is not lessened by the Saudis' economic ties to the West; their oil exports can, perhaps, be reduced but the West's prosperity cannot be sacrificed in revenge.

If Mr. Sadat is right, the Saudis are now maneuvering—with France—to rid themselves of the one dependence on Americans for which they volunteered when they bought 60 modern F-15 fighter planes for delivery in the early 1980s. Although they deny it, Mr. Sadat says the Saudis are angling to buy the French Mirage 2000 fighter instead.

President Carter fought hard in Congress to arrange the F-15 sale, not out of friendship but to make the Saudis dependent on the United States for something—training, service and spare parts. That bit of American influence is even more important in the present atmosphere. Instead of striking back mindlessly at the Saudis, the United States needs to stand firmly by the plane deal and demand that France call off its Mirage peddlers. It is bad enough for a great power to be caught over the Saudi barrel. For an ally to exploit our predicament would be a clearly hostile act.