

Giscard's Gulf trip: Europe builds 'arc of stability'

by Thierry Le Marc

Never has the contrast between the failures of American diplomacy and the success of European initiatives been so clear. While Carter was busily destroying the last bits of credibility America still had internationally, Europe under the leadership of France was relaunching new initiatives on all fronts with world-wide support.

The contrast is even more blatant if one compares the Arab condemnation of Carter's latest backtracking on the issue of Israel's settlement policy, with the reception given to the French president. Called a "coward" by most Arab states, Carter just received some "compassionate" words from the Saudi state radio which called on "Allah to have mercy on his soul."

New world leadership

This contrast only underlines one obvious development: a new leadership is emerging, leaving aside the crazies in Washington. This was precisely the aim of the French president during his 10 day visit to the Gulf and Middle Eastern countries.

One of the longest tours abroad ever made by the French president, the visit, which was closely coordinated with France's European partners and other allies in the developing sector, had the aim of paving the way for the settlement of a number of crises. On top was the Afghanistan crisis, the Middle East Israel-Arab conflict, and the problem of Palestine.

Giscard never fixed a precise agenda, according to *Le Figaro*, but instead aimed his talks at global problems. The close relationship between France and West Germany, the cornerstone of European unity as it was defined some days earlier by Giscard, the commitment of France to a fundamental policy of non-alignment, to prevent the dividing of the world into two blocs defined by the superpowers, and the commitment of France to industrialize the developing sector, were principles of Giscard's policy.

Giscard chose Kuwait as his first stop to pave the way for a new Middle East initiative. In a word, he gave the

death sentence to the American-inspired Camp David 'peace agreement'. Explaining that the right of the Afghanistan people for freedom was to be applied also to the Palestinian people, he called for Palestinian self-determination through the creation of a Palestinian state in the Israeli-occupied territories of the West Bank and Gaza. The French president stressed that such an agreement could be reached only through a global settlement.

Despite the acceptance in the region of Giscard's fundamental principle of the right of *all* states to exist, the Israelis reacted with fury. The *Jerusalem Post* denounced the "sordid" interest of France in Arab oil. Notwithstanding such behavior, in a matter of days much of Europe followed France's lead. West Germany was the first to openly declare its "entire satisfaction" with the declaration of the French president.

Last were the British who otherwise let it be known that they were quite annoyed at such an intervention by France, adding that Paris was "just complicating matters." What was obviously complicated was the British game in the region. An International Institute of Strategic Studies-connected journalist predicted that "France will soon be sorry that it made such a declaration."

What the British were in fact quite bitter about was the fact that France's diplomatic breakthrough will have immediate consequences. It will likely lead to European Economic Community official recognition of the PLO in a matter of a few months. This matter will be discussed at the coming EEC Foreign Ministers Council on March 17, and later on at the EEC Council March 29, but it will also lead to something still bigger.

Kept high on the agenda of the discussions was the realization of a dialogue between the Middle East, Western Europe, Africa and other developing sector regions, with the approval of the socialist countries. This was in fact a demand of the Gulf states. During Giscard's visit, Gulf states such as Qatar and the United Arab Emirates made clear they wanted something bigger than a European-Gulf dialogue as it was proposed last summer. Not

surprisingly, Qatar and the UAE particularly endorsed the dialogue proposal in their joint communiqués. Qatar, in particular, made the issue clear in an interview in the Paris-based daily *Le Monde* the preceding week. Sheikh al Khalifa stressed in the interview that the special relationship between France and the region would best be concretized through massive transfer of technology. Security in the Gulf, the ruler stressed, is not merely guaranteed through military aid, but primarily through meeting the needs of the local populations for economic development.

The United Arab Emirates, according to *Le Figaro*, has been "playing the French card for some time." Their communiqué stressed the same points as those of Kuwait and Bahrein, including the quite important bilateral deals on matters of oil refineries, joint industrial ventures, and security agreements. The UAE, for example, invited French war vessels into the region some time ago to counterbalance the Soviet and American presence in the Strait of Hormuz, reported *Le Figaro*.

Perhaps the most important of the bilateral relations was the gesture made by Kuwait and Bahrein, traditionally two states under the "British sphere of influence." Kuwait, which had deliberately decreased its oil deliveries to British Petroleum only one month ago, decided to

authorize the French oil companies, Compagnie Francaises des Petroles (CFP) and Elf-Erap, to immediately open offices in Kuwait, while direct state-to-state oil deals were being signed with Giraude, the French industry minister who accompanied the President. Bahrein, also a British offshore "fiefdom," asked for direct French investments.

A Middle East 'Helsinki'?

Unnoticed by most international media has been the parallel initiative from Iraq to transform the region stretching from the Mediterranean to the Indian Ocean into a zone of peace, effectively free from foreign military presence. This was the content of an Iraqi proposal for a Pan-Arab Charter on the basis of which an Arab summit, attended by more than 15 countries, will be convened in the next two to three weeks.

This is more than a "parallel" initiative. Such a proposal from Iraq was in fact closely coordinated on one side with India and, on the other, with France, West Germany and Spain. Spanish Premier Suarez, during his visit to Baghdad, endorsed the Pan-Arab Charter aimed at settling the Afghanistan crisis in a nonaligned context. Like an earlier proposal from India, such a proposal has

Qatar leader: 'France for peace, for development'

Sheikh Khalifa, the leader of Qatar, gave an interview to the French daily Le Monde Mar. 2, in which he emphasized the great role France can assume in ensuring peace in the Middle East. The interview coincides with French President Valery Giscard d'Estaing's visit to the Gulf States, Bahrein, Qatar, the United Arab Emirates and Saudi Arabia.

Q: On the political level, what role could France play in the Gulf?

A: France has shown in several ways the role it could play in the service of peace and international security in general, as well as for the security of our region. It has shown this by persevering in its efforts to favor continued understanding ('entente') between the two big powers, by contributing in appeasing tensions in international relations, by launching a positive appeal in favor of non-intervention in the internal affairs of

nations, by practicing a policy of dialogue and cooperation rather than one of defiance and confrontation, by expressing, finally, its will to keep the Gulf out of international conflicts, in the interest of the whole world.

Q: Can France bring a contribution in other domains?

A: The special sympathy manifested by France towards the Third World could realize itself by a transfer of technology. That could no doubt reinforce cooperation and favor common interest and joint investments in the economic and industrial domain between France and the Gulf countries.

Q: How do you envision the security of the Gulf?

A: The dangers threatening our region come from abroad and result from the avidity of the big powers and their attempts to embroil us in their conflicts, while the best guarantee for us is to remain outside of all those conflicts. All the countries in the region are convinced of this, and similarly, they are convinced of the necessity to respect nonalignment and to refuse all foreign military forces or bases on their territory even if it is simple facilities.

received the support of all the Gulf countries Giscard visited.

As revealed by French sources, the Baghdad summit will then transform itself into a major forum of propaganda toward the realization of the dialogue. The Iraqis want that conference to establish "a bridge between the Middle East and Europe, based on the privileged relationship between France and Iraq." And the concrete gestures are already there. French sources are reporting that Iraq has increased its oil production to its maximum both to meet the needs of the international market, and to increase its financial surplus to invest in more and bigger industrial projects in "third countries." The Saudis, who have also agreed to such an overall approach, have been following such a policy and are stabilizing their production at 9.5 million barrels a day. But as visiting U.S. Secretary of Energy Duncan learned painfully, such a production level is not meant to be used for stockpiling. That was what Saudi Oil Minister Zaki Yamani bluntly told him, when Duncan asked for supplies for U.S. reserves. Duncan came back empty-handed to the U.S.A. But France, according to the Iraqi daily *Baghdad Observer*, was requested to deliver two nuclear power plants to Saudi Arabia; Giscard is not likely to return empty-handed.

The best guarantee of security resides in the great efforts we must deploy to satisfy the aspiration of our peoples towards progress and prosperity. Our objective must be the coordination of our common efforts in view of creating our own force, autonomous and in solidarity, the only capable of realizing those objectives....

Though we are convinced of the positive results of our efforts, we estimate that we are only at the beginning of our task and that we must still operate to realize all our hopes, notably to raise the standard of living of our citizens and to provide them the cultural and technological knowledge that will improve their future and that of their children. The objective of industrialization is to create, below oil production, light and heavy manufacturing industries. This global strategy and the preparation for the post-oil era have led to considerable efforts to diversify the national revenue by increasing industrial potential... We have striven to create basic heavy industries and complementary industries which constitute the infrastructure from which we will realize all future development. Starting this year we are envisioning great projects, notably the creation of a natural gas liquification factory, a refinery and light manufacturing industries.

An exclusive report

U.S. foreign policy: the view from Vienna

by Edith Hassman

For Austria, more than for any other country in Europe, East-West trade is a question of survival. Over 40 percent of its fossil fuel and electricity supplies are imported from Comecon countries, and the trade with those countries accounts for 13 percent of Austria's total foreign trade volume. The city of Vienna is therefore much more than merely the capital of 7 million Austrians. Vienna is the European capital of East-West trade, and in this function has attracted a large part of the international business community. The fact that Austria declared its neutrality in May 1955, after the last Soviet occupation forces had left the country, certainly facilitated this role.

Besides being a center for East-West trade, Vienna also plays a key role in North-South relations. Its old imperial buildings, dating back to the Habsburg Empire, and the newly built "U.N. City" are the location of many international organizations, like the International Atomic Energy Agency (IAEA), OPEC, and various United Nations organizations. There is a conscious policy behind this concentration on the part of the Austrian government: Different from the American public which tends to deprecate the United Nations as essentially a waste of time and money, Austria views its engagement in these international organizations as a crucial means of protecting the interests of the neutral and nonaligned countries against what is termed here "the sometimes brutal bilateralism" of the two superpowers.

In their opinion, that neither the United States nor the Soviet Union should be allowed to run the world on their own, the Austrians feel themselves confirmed once more by the current situation, where the conflict between Moscow and Washington threatens to engulf the whole world in a new Cold War or worse. Austrian Chancellor Bruno Kreisky, who visited India and Saudi Arabia after the Soviet invasion of Afghanistan, underlined repeatedly in the past weeks the responsibility of the nonaligned