

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 President A 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.

In the last week, Prime Minister Begin of Israel has shown signs that he is hardening his position away from earlier hints of West Bank compromise. The Begin plan for "self-rule" for the Palestinians on the West Bank, originally floated as a starting point for negotiations, is now being characterized by Begin as a final concession. In addition, in an interview last week, Begin equated Palestinian "self-determination" with a Palestinian state and rejected "this mortal danger to Israel," while, only weeks ago, he stated, "Self-determination and self-rule, they are synonymous."

Further, it is reported that Begin named Agriculture Minister Ariel Sharon to join the political committee talks between Egypt and Israel, along with Dayan, in Jerusalem Jan. 16. The inclusion of Sharon, who is a notorious extremist and is pushing for stepped-up Israeli

settlement of the West Bank, is a worrying sign for Sadat.

Another indication of the developing political crisis in Israel is the resignation of Begin's chief adviser, Shmuel Katz, who, according to the *International Herald Tribune*, is having a running political "feud" with Dayan.

Cooperating with Dayan are his former colleagues in the Israeli opposition Labour Party, led by Shimon Peres. The Labourites, reacting hysterically to the signs of a concession from Begin, publicly accused Begin of endorsing the idea of an "independent Palestinian state" and threatened a vote of no confidence in the regime. Along with Dayan and the Labour Party, some members of the Rothschild-sponsored Rafi group of Begin's Likud bloc, and even in Herut itself, are making noises against the Begin diplomacy.

Iran Condemns BBC, British Foreign Office For 'Propagating Violence' Against Shah

For the third time in as many months the Iranian government has registered complaints with both the British Broadcasting Company and the British Foreign Office for meddling in Iran's domestic affairs.

Most recently, an editorial appeared on Dec. 17 in *Kayhan*, the government-owned daily, castigating BBC for broadcasting in Persian "slanted" news designed to feed internal dissent against the Shah's government. *Kayhan* noted that the BBC has exaggerated the role of the London-based Amnesty International and the International League of Human Rights (which has represented the British intelligence-spawned Baader-Meinhof terrorists in court) in enforcing "human rights" in Iran. BBC, according to *Kayhan*, has also grossly overplayed antigovernment demonstration in Iran and elsewhere for the same purpose.

Kayhan concludes that "the BBC is actively propagating violence in our country...What the BBC does cannot be considered accidental or due to the ill-will of individuals in its foreign language department. The department is under the direct supervision of the British

Foreign Office. Considering currently friendly relations between the two governments (referring to Iran and Britain — ed.) it is our turn to be 'surprised' by the BBC's campaign of lies and malice. This campaign would probably have no effect on bilateral relations between the two governments. But it will certainly do much damage to standards of journalism throughout the world. It hits new lows — unprecedented in the annals of journalism in recent years and certainly not reached even by controlled media in the most totalitarian of states."

A week prior to the *Kayhan* editorial a spokesman for the Iranian Foreign Ministry, Parviz Adl, described as in "poor taste" remarks made by British Foreign Minister David Owen. During an interview conducted last month, Mr. Owen did not convincingly rebuke "prejudiced questions" from the interviewer on the human rights issue. According to Mr. Adl: "This was a rather poor way of speaking about a friendly country which has been abused by certain circles in Britain, a country where there are so many examples of violations of human rights, especially in Ireland and elsewhere."