

with Egypt. But most observers agreed with Israel's Abba Eban, who described Arab opposition to Sadat as "cries of impotence and despair."

By the end of last week, pending the Nov. 26 Sadat address to Egypt, there were mounting signs that the USSR, Syria, and the PLO were moderating their initial opposition to Sadat's trip. The *Washington Post* reported that official Syrian media had shifted from calling Sadat a "traitor" to a "dupe," while the PLO's Khalid Fahoum, chairman of the Palestine National Council, welcomed the Sadat speech to the Israel Knesset for its hardline

defense of the Arab position and Palestinian rights.

The Soviet Union itself, under the influence of the Arbatov "Fabian" faction, has largely refrained from supporting the Sadat initiative, but has not yet issued a strong official condemnation of Sadat, preferring to quote Syrian and other Arab attacks on Egypt in *Pravda*. But the Hungarian Communist party daily late last week gave cautious approval to Sadat's voyage, joining the enthusiastic Romanians — and portending, perhaps, a Soviet shift.

— Bob Dreyfuss

## Sadat-Begin Talks Lay Foundation For Mideast Economic Development

In the aftermath of the historic meeting between Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat in Jerusalem, the world is viewing the Middle East as an emergency center for Arab-Israeli economic development projects involving extensive Western European and U.S. financial and technological input.

In their speeches before the Israeli Knesset Nov. 20, both Begin and Sadat explicitly addressed the need for cooperation between the Arab world and Israel to develop the region. Begin endorsed the recent call of Morocco's King Hassan II for combining Arab and Jewish genius to "turn this area into a paradise on earth." Sadat stressed the urgent need for the construction of "a huge edifice of peace ... that serves as a beacon for generations to come with the human message for construction, development, and the dignity of man."

In the Nov. 24 *New York Times*, financial writer Leonard Silk commented on the possibilities for joint economic cooperation in the region. While Israel is a country oriented toward high technology, Egypt is primarily agricultural, Silk observed. Both countries are reeling under the burden of devoting more than one-fourth of their respective national budgets to defense, problems that "a deep and lasting peace in the Middle East" would do much to ease. "If the politics of peace can lead the way," wrote Silk, "the economics of development seems bound to follow."

### French Push Nuclear Development

Leading Western European countries are making it clear that they are more than merely "interested" in involving themselves in the newly-created prospects for

Mideast economic growth. Last week, the Egyptian daily *Al Ahram* reported that French and Egyptian officials are discussing the possibility of building a string of nuclear power plants along the Mediterranean and Red Seas to deal with Egypt's power needs until the year 2000. At the same time, the French daily *Les Echos* wrote of the "high hopes" for a "powerful economic takeoff in the Middle East," while leading French strategist Gen.

"We are proposing economic cooperation for the development of our countries. There are wonderful countries in the Middle East. The Lord created it thus: oases in the desert, but there are deserts as well and we can make them flourish. Let us cooperate in this field. Let us develop our countries. Let us eliminate poverty, hunger, and the lack of shelter. Let us raise our peoples to the level of developed countries ... And with all due respect, I am willing to confirm the words of his majesty the King of Morocco, who said—in public, too—that if peace arises in the Middle East, the combination of Arab genius and Jewish genius together can turn this area into a paradise on earth."

—Menachem Begin, Nov. 20, 1977, before the Israeli Knesset

Georges Buis discussed in depth the possibilities for "economic unity" that the peace drive has opened up.

On Dec. 21, West German Prime Minister Helmut Schmidt, who fully backs France's energy development initiatives, arrives in Egypt. The West German government is known to favor a debt moratorium for Egypt's debt-strapped economy as well as investment to develop Egyptian industry.

The Nov. 22 West German financial daily *Handelsblatt*, in reporting on the Begin-Sadat meeting, revealed that Israeli Finance Minister Simcha Ehrlich has prepared a memorandum on the prospects of future Egyptian-Israeli economic cooperation involving agricultural coordination, free trade between both countries, and the construction of nuclear power plants. Talks are currently

"Why don't we stand together with the same courage and daring to erect a huge edifice of peace? An edifice that builds and does not destroy. An edifice that serves as a beacon for generations to come with the human message for construction, development, and the dignity of man."

—Anwar Sadat, Nov. 20, 1977, before the Israeli Knesset

being held in Jerusalem to take up the issue of cooperation over raw materials.

Development is also the focus of Italy's coverage of the Sadat-Begin talks. The Italian daily *L'Unita* reported Nov. 21 that "behind the meeting there may be an economic cooperation plan," noting that two joint economic plans have already been drawn up, one by Israel, and the other by Egypt, with the latter written by an Egyptian Marxist.

#### *Mexico Calls For Joint Arab-Israeli Cooperation*

Following West Germany and France's lead, Mexico has firmly backed the Egyptian-Israeli detente as the precursor of Middle East development. In a statement made last week praising Sadat's trip to Israel, Mexican President Jose Lopez Portillo called for a joint Arab-Israeli development program as the only way to ensure a lasting Middle East peace. "I have always reflected on the significance for the stability and structure of the world if that area were successfully united," said Lopez Portillo. "Imagine what could be done in the Middle East with the resources of the Arab world and the technology and organization of the Israeli people." The Mexican President continued by blasting Kissinger-style diplomacy, stating that it was clear that negotiations are much easier "when intermediaries are eliminated."

Lopez Portillo's remarks were made on the eve of the arrival of Israeli President Ephraim Katzir in Mexico. Upon Katzir's arrival, the Mexican President reiterated his call for economic cooperation and the Arab nations to transform the region from a "critical zone" into a "prosperous" one.

## Global Strides Toward Nuclear Power Isolate U.S. Policy

A series of highly significant international agreements and governmental policy commitments have critically tipped the international balance toward development of nuclear power resources. This international push comes at a time when the U.S. nuclear industry is threatened with imminent bankruptcy from the combined efforts of the Carter Administration, congressional non-proliferation policies, and domestic sabotage of nuclear energy by environmentalist movements. Among the most significant such international agreements occurring over recent days:

*\*Iran and West Germany:* Iran signed a "qualified letter of intent" Nov. 10 with Kraftwerke Union of West Germany to supply four additional 1,200 Megawatt (1,200,000,000 watts) pressurized water fission power plants for central Iran. The Iranian Atomic Energy Organization announced that the first unit is scheduled to begin operation in 1984, followed by the other three at one year intervals. Although no official cost figures have been released, sources estimate the pact to be in excess of \$5 billion, making it the largest single nuclear reactor

deal in history. (Although the West German-Brazil deal, finalized last year, involves a larger total, it was signed in several separate parts.)

*\*Iran and France:* Following the Nov. 17 visit to Paris by an Iranian delegation headed by the Shah, Iran completed an already-announced agreement to purchase two twin-900 Megawatt nuclear power plants from the French Framatome corporation as part of an overall Franco-Iranian trade accord of 30 billion francs. The largest single trade accord in France's history, the French deal is part of Iran's plan to develop 23 nuclear reactors by 1994, and was signed just shortly after the Shah's trip to Washington, D.C. where he offered the U.S., as part of the package, possible sale of 8 U.S.-built reactors in an overlap deal reported to reach between \$20 and 35 billion. Talks with the U.S. broke down over the Carter Administration's insistence on various safeguard policies encroaching on Iranian sovereignty.

*\*Egypt-France:* On Nov. 10 the Egyptian and French governments assigned experts to begin preparing technical and field studies of locations for building nuclear power stations on the Mediterranean and Red Sea coasts as part of Egyptian development plans for building 15 nuclear reactors by the end of this century.

*\*Kuwait-West Germany:* The Kuwaiti government announced Nov. 15 that an agreement to purchase a dual-purpose nuclear reactor for electric power and desalination is imminent. It is to be a 1,300 MWe unit and the supplier is reported to be Kraftwerke Union of West Germany.

*\*Japan-Soviet Union:* A private agreement between the Japanese Atomic Industrial Forum and the Soviet Atomic Energy Committee was signed Nov. 17. The agreement calls for cooperation in Atomic Energy Development, including nuclear power reactors and thermonuclear fusion research and development. Initially, the five-year agreement will provide for exchange of experts on fast-breeder reactors and fusion.

*\*Sweden-Soviet Union:* An official delegation from the Soviet Union is presently in Sweden on a 10-day visit, where a part of the discussion centers on possible joint Swedish-Soviet exploitation of the vast, and as yet untapped, Swedish uranium fields at Ranstad. Ten years ago Sweden and the Soviet Union signed a general agreement on nuclear fuel development which was never implemented during the Social Democratic regime of former Prime Minister Olof Palme.

*\*Mexico:* On Nov. 11, the Mexican National Nuclear Energy Institute (INEN) announced that the country will acquire a Tokamak nuclear fusion test facility as part of a vastly expanded program of fission and fusion experimentation. Mexico has developed a plan for substantial development of nuclear power generation by the 1990s. The first commercial reactors at Laguna Verde, are scheduled to come on line in 1982. The INEN program, now being considered by the government, calls for 20 nuclear reactors by the end of the 1990s.