

Egypt – Libya War Tensions Rise As Egypt's Social Crisis Worsens

Relations between Egypt and neighboring Libya took a perilous turn for the worse during the past week. According to both *Reuters* and *TASS* news agencies, sources in Libya are now "expecting an attack by Egyptian armed forces on Libya." High-level East bloc sources report war-planning sessions taking place in Cairo led by War Minister Mohammed Gamassy, while U.S. State Department officials insist that a faction within the Egyptian high command favors immediate military action against the Libyan Qaddafi regime. The government-controlled Egyptian press is escalating its propaganda campaign against Libya and anti-Libyan demonstrations erupted last weekend in the western Egyptian city of Alexandria. Moreover, reliable Egyptian diplomatic and journalistic sources speculate that elite Egyptian units may attempt an "Entebbe-like" raid into Libya to overthrow Qaddafi.

None of these actual or predicted occurrences makes sense outside of the context of a devastating social crisis in Egypt which is being selectively manipulated by highly placed Rockefeller family intelligence operatives. These private networks are centered in Saudi Arabia, and they have decisive influence over powerful Egyptian military circles — and evidently over President Anwar Sadat himself. One Arab officer at a leading lower Manhattan banking institution confirmed that "private Saudi individuals," acting outside of the Saudi government, are exploiting Egyptian internal instability by funding and activating the religious extremists of the Muslim Brotherhood.

Thus in Egypt an unprecedented and undoubtedly bloody social confrontation is rapidly coming to a head. The intelligence agency-controlled fanatics, with increasingly overt support from Sadat himself, are being utilized to contain and bludgeon mass-based leftist and Nasserist networks at the very moment when Sadat's readying of a new round of implementation of the highly unpopular International Monetary Fund-ordered "reforms" of Egypt's beleaguered economy is giving the left and nationalists increasing credibility. Sadat is moving into the untenable, *short-term* position of relying upon the right and the nouveau riche, whose legitimacy in the population is almost nil. Such a correlation of forces cannot possibly sustain itself for long.

How far Sadat has gone along this path is evident from a number of signs. Aside from thrashing Libya, the Egyptian press — in particular, the right-wing *Al Akhbar*, which Sadat seems to be utilizing more and more as a mouthpiece — has issued vitriolic attacks against the Soviets. The high point of hysteria was reached last week

when *Akhbar* equated Soviet Communism with Zionism — purportedly in response to Soviet Communist Party head Brezhnev's support of Israel's right to exist securely. Earlier, *Akhbar* accused Soviet envoys of fomenting Libyan and Ethiopian aggression against Egypt, while the traditionally more centrist *Al Ahrām* and *Middle East News Agency* have been running "revelations" about Soviet arms shipments and Cuban advisors being sent to Ethiopia and to Zaire.

For the past week, trials have taken place in Egypt of leftists and Nasserists accused of fanning January's anti-IMF mass upsurges. The editor of the leftist *Al-Talia* magazine, Lufti el-Kholy, has been removed from his post, and the editor of the prominent leftist weekly *Rose el-Youssef*, Abdul-Rahman el-Sharkawi, has been given a meaningless sinecure in the Egyptian Arts Council. Right-wing religious elements in the National Assembly have taken advantage of this atmosphere to demand the

Story Of Rabin Resignation Revealed

The real story behind the resignation of Israel's Prime Minister Yitzhak Rabin in an April 7 coup d'état by allies of the Rockefeller forces Moshe Dayan and Defense Minister Shimon Peres was revealed today to NSIPS by sources in the U.S. intelligence community.

According to the source, the U.S. National Security Council in late March ordered Israel to launch an operation in which Israeli commandos, disguised as Palestinian "terrorists," were to attack and blow up a TWA jetliner in the Mediterranean region. The raid, which was widely predicted at the time in the European press, which cited Interpol-ordered alerts at Athens and Rome airports, was to provide a pretext for an Israeli raid into southern Lebanon as "reprisal" against Palestinian commandos there.

The source said that Rabin flatly rejected the operation. The behind-the-scenes coup by the Dayan forces of the military, a public Watergating barrage against Rabin came only days later.

With Rabin out of the way, it becomes entirely possible that Peres, his designated successor, will revive the terror-counterterror Rabin wrecked.

legal institution of the death penalty for "atheists and communists" and the reinstatement of Islamic law as the law of the currently secular Egyptian nation.

Aware of the untenability of Sadat himself continuing on this "Pinchet" path, American embassy officials are reportedly circulating the rumor in Egypt that right-wing army officers are plotting a takeover. To give this tale credibility, the *Washington Post* ran an otherwise non-descript "leak story" about the "deprivation of rights" of Kamal Eddine Hussein, the most right-wing member of the "Free Officers" group that came to power in Egypt in 1952. Last week, Hussein, a hero of the Muslim Brotherhood and related groups, was not allowed to regain the Parliament seat which had been taken from him when he lashed out at Sadat after the January upsurges. It is possible that Hussein is being primed as a rallying point for the Saudi-funded rightist thug networks.

The Soviets and Sadat

There is substantial evidence that the Soviet Union has determined that restoration of normal relations with Egypt is no longer possible as long as Sadat remains in power, and is taking action to isolate Sadat and encourage the left-Nasserist factions in Egyptian military and intelligentsia circles to organize a solid opposition bloc.

Unofficial reports have it that the USSR has suddenly stopped shipments of spare parts to Egypt in retaliation for Sadat's anti-Soviet diatribes of the past few weeks. Meanwhile, the Soviet News agency TASS and other Soviet journals during the last week bitterly attacked Egyptian support actions for President Mobutu of Zaire as acts of open cooperation with Israel and U.S. imperialist circles. The Soviets also extended the stay in Moscow of Syrian President leader Hafez Assad, in an attempt to pry Assad away from the anti-communist tripartite alliance of Sudan-Egypt-Syria formed earlier this year.

A further telling sign is the sudden, unprecedented public surfacing of the pro-Moscow Egyptian Communist Party abroad. In Athens, officials of the Egyptian and the Greek Communist Parties issued a joint communiqué attacking the economic and foreign policies of the Sadat regime.

Egypt Key To Mideast, African Diplomat Says

The following assessment was made this week by a Middle East diplomat:

The key to the whole situation, both in Africa and the Middle East, is Egypt. Egypt and Sudan are very close; they have a special relationship...

The problem in Africa is not Sudan, or even Numeiry. He was pushed forward as a popular officer in 1969 by the people who made the coup, most of whom are still around and are much more progressive than Numeiry. There is

no real problem with the Sudan regime, however, except that Sudan is a captive of Egypt.

It works like this. After 1967, to protect the Egyptian Air Force from the Israeli bombing raids, Nasser sent the Air Force to Sudan and built an airport. It is still there, as are the Egyptian troops, which act as insurance for Numeiry. In addition, there are three Sudanese units on the Suez front, which, if the Egyptian forces now in Sudan could not protect Numeiry, would be flown down to Khartoum. The Sudanese units at Suez are kept there by Sadat as an anti-coup force. Therefore do not expect any real changes from the Sudan side — the problem is Egypt.

In Egypt there cannot be a simple coup. The Egyptian army is one million men, and is not like Sudan where a few people take the radio station and the palace and there is your coup. No. Not with such a large army. The army could only take over on condition of a mass social upsurge inside Egypt, which could easily create the conditions for the Army to step in. This almost happened in January. It was very close. I think it is long overdue.

The Communists are not strong, but have some important people. There are a lot of Nasserists, but they are leaderless, decapitated. The Army is the only real force. And it is a sophisticated army, well-educated, many with college degrees, scientists, engineers. They are not stupid.

Part of what holds them back is Israel. Egyptians feel that they are in a war situation, and think twice before upsetting the situation.

'Private Saudi Funding' For Muslim Brotherhood

The following are excerpts from an interview with an Arab banker at a leading New York bank, who requested not to be identified:

Q: For how long can Egypt continue to meet its payments through receiving last-minute hand-outs from the Gulf states?

A: My estimate is that Egypt is \$450 million in arrears, and that's a fundamental problem. Money is coming in too little, too late. The process is a completely negative one. What the Egyptians argue is that they can't manage with little outlays. Egypt is hoping that the World Bank-creditors' consultative group meeting in May will look at a comprehensive Egyptian plan, and allocate \$12-13 billion to get the country through 1977 and 1978, just through the bottlenecks, so the country can then get into 1980 alive. The Egyptians never have enough to get out of the bottleneck. The way things stand now is that the Egyptian government cannot impose consumption cuts, for political reasons, and therefore they must finance more imports than exports.

Q: How will the consultative group treat these problems?

A: The consultative group sees these problems in very preliminary ways. They will ask the Egyptians a couple of questions, but it's too early to say it will produce anything now. Probably not until July, or August at the earliest, will money materialize for Egypt....

Q: Has Egypt actually given in to IMF demands yet?

A: They certainly have, although they don't want to admit it because of the left in the country, which is making a big issue about the turn to the U.S. and the IMF.

Q: But U.S. sources tell me that the left is weak and small and not influential.

A: The left is strong, the only reason it may not seem to be is because ruthless measures have been taken to repress it. Sadat's liberalization policy, so-called, is a joke, the government has completely suppressed leftist publications. But the January 18-19 riots proved the left is not under control, they emerged as superb organizers. Therefore I hesitate in agreeing that they're not very strong. They're well-organized. And they're the best elements in the country. There's no operative ideology in Egypt outside of the left that commands the interest of people who are important. The government has no ideology. The right has no muscle in meaningful circles. Only the left has a following, among workers, intellectuals, and so on.

Q: But I've heard claims that the Muslim Brotherhood has been recently organizing.

A: They're coming out because of the vacuum in the country. There's a very, very strong resurgence of the Muslim Brotherhood. I've just seen a recent edition of *Al Akhbar* which reports that some prominent religious elements are demanding the return to the Islamic law, the Shar'ia, the cutting off the hands of thieves, all the elements of a Saudi set-up. This is amazing in Egypt, it's quite a move to make, in a country that has been a secular state since the days of Napoleon!

What makes it worrisome is that the government is making no efforts to suppress the right-wing religious groups. The reason is that the Saudis favor the trend. Saudi influence is obvious. Now, the government is liquidating the left, while allowing the Brotherhood to come back, the same group that brought such a strong reaction under Nasser that they were brutally suppressed, they were the persecuted few. So they're basically a local effort, like the opening of a box, when the spring flies out and stretches to its maximum potential. But there is outside funding, and it's Saudi, but not the Saudi government, rather from *private* individuals in Saudi Arabia.

When I was in Cairo, all the mosques were repainted, reequipped with spotlights, and all the money for this was not from the Egyptians.

Recently a law has been submitted to Parliament demanding a death sentence for atheists. I'm still reeling from reading these *Akhbar* accounts. I was told repeatedly when I was in Egypt that this would happen, but I didn't believe it. Now, people are alarmed, more so because Sadat is doing nothing to stop the right. Sadat has cut himself off from the left — not just from the left per se, but from the Nasserites as well. This is a very powerful coalition, they're *really powerful*. They're a minority, but they've successfully blamed the liberalizing trend on the U.S. and Sadat is therefore seeking any alliance possible against them.

Q: That leaves open the question of the loyalties of the army.

A: The army is the big question mark. Although it's very hard to get information on them, my estimation is that on the lower officers' level, there is a great deal of dissatisfaction with the regime, even though the army has been under surveillance since at least 1967 to prevent its politicization. People tell me that the army on the higher levels is extremely dissatisfied, not so much about arms, but about the disturbing social changes in the country. There has been a resurgence of the rich, of the vulgar layers. And standards of living are deteriorating, and the army is affected by this — the army comes from the workers, peasants.

The American embassy officials I spoke to in Egypt tried to tell me that the dissatisfaction at the higher levels is coming from the right wing in the army, but I can tell you that this is not correct.

U.S. State Department: Egyptian Military Faction Considering War Against Libya

The following are excerpts from an interview with a Middle East Arab affairs desk officer at the State Department.

Q: Wouldn't you say that the Egyptian military is upset by Sadat's actions toward both Zaire and Libya, don't these detract from the fight against Israel?

A: Insofar as the military is at all interested in foreign policy, Zaire is very far away. The anti-Libya campaign in the Egyptian press is, admittedly, being carried out because other people read the Egyptian press besides Egyptians. Nonetheless, in the military high command, there is in fact a belief in an incipient military threat from Libya. My feeling is that this is a good *military* assessment. The military is not comfortable professionally with a primary threat from the Israelis on the eastern border while there is a potential threat on the western border.

When the military men meet in the same room, I am sure there are differences of opinion. One faction says, "Let's move tomorrow and end the western threat so that we can concentrate forces later against Israel." Another faction says that a western front fight would only dilute the battle against Israel. But a case for the former argument could easily be made.

New IMF-Egypt Agreement Reached

The following are excerpts from an interview with John Gunter, Mideast director for the IMF.

Q: You recently referred to an early April meeting of the Gulf Organization for the Development of Egypt (GODE) and Egypt mediated by the IMF. Did this take place? And what happened?

A: The meeting did take place. Things went quite smoothly. There was an agreement reached between

GODE and Egypt and we will have a role in implementation. Everything was very amicable, very useful. There was a discussion on how GODE's money was to be used.

Q: There seems to be a confusion about exactly what GODE has given Egypt.

A: There are no real discrepancies. It's only a question of what has been included. The loan under discussion here was just under \$1.5 billion. Last year, there were discussions between GODE and Egypt for \$250 million and this went through earlier this year. Also, GODE has made a guarantee available for a \$250 million Chase loan to Egypt. Egypt has received nothing yet beyond the \$250 million earlier agreed on. If you add it all together, it comes to the \$2 billion figure (Egyptian economic policy czar) Kaissouny referred to recently.

Q: Would you say that Egypt has officially agreed to the IMF reforms?

A: There is a press release due this afternoon, or early tomorrow, on an agreement reached for a standby loan to Egypt by the Fund. The decision was acted on by the Fund's Executive Board, so it has gone through from the Fund's side.

Q: Has the Egyptian press already reported an agreement between the IMF and Egypt?

A: Oh sure, the Egyptians have announced the agreement. They tend to do these things prematurely. Kaissouny has made public statements indicating that an agreement has been reached.

Aggravation Of Relations Between Egypt And Libya

Pravda published on April 19 the following series of Tass dispatches on the conflict between Egypt and Libya.

LONDON — According to Reuters reports from Tripoli, tension in relations between Egypt and Libya has reached a culmination point. The agency, alluding to government circles in Libya, indicates that they are expecting an attack by Egyptian armed forces on Libya.

According to the same sources, the agency reports, "details of a plan of attack" were discussed between the Military Minister of Egypt General al-Gamasi and the commanders of the armed forces of the country. The result of this conference was the recall of all Egyptian officers from leave. In the same circles it is being said that "several days ago Egyptian forces took up positions on the border with Libya with the main task of occupying the city of Tobruk, and then moving on, depending on how the situation develops and on the international response.

CAIRO — The government of Egypt discussed at its session the development of the crisis in Egyptian-Libyan relations, and passed a decision that the Egyptian government "will completely fulfill its duty, if the Libyan authorities do any harm to Egyptians in Libya."

As is evident from press reports, the discussion of this question abounded with malicious attacks on Libya.

TRIPOLI — The Libyan press is publishing material indicating that investigations conducted by the competent Libyan organs have shown that all subversive actions against the Libyan revolution — arson, diversions, acts of sabotage — have been carried out with the knowledge of and under the direction of the Egyptian authorities.

The consulate of the Arab Republic of Egypt in Benghazi, notes the Libyan paper *Al-Fadjr al-Djadid*, has over the course of recent years been turned literally into a military arsenal, and cadre officers of the Egyptian special service have been named to staff it. During a search conducted in the "consulate" of the ARE in Benghazi, a great quantity of firearms, grenades, and explosives were revealed, and also documents testifying to the improper activities of Egyptian "diplomats" on Libyan territory.

The People Of Egypt Oppose Sadat's 'Open Door' Policy

Following is an edited text of the joint communique issued after a meeting between the representatives of the Greek Communist Party (KKE) and the Communist Party of Egypt. The meeting took place in Athens on March 31.

The delegation of the Communist Party of Egypt informed the Greek Communist Party representatives on the political situation in Egypt and the "open door" policy presently implemented by the government, which leads to the country's submission to foreign monopoly capital and to imperialist influence. This policy is against the interests of the nation and its people.

The Egyptian delegation stressed that the present regime follows a policy which is against the basic principles of the 1962 National Progressive Charter, by allowing foreign investments in all sectors of the economy, such as banking, insurance, agriculture, mining, trade, and other sectors which were nationalized or otherwise developed only by state investments according to the Charter.

The Egyptian government undermines the role of the state sector, and has adopted measures which submit this sector to the interests of that section of the bourgeoisie which is closely connected with the foreign monopolies and multinationals, at the expense of the national interests. The inevitable result of this policy is the uncontrolled activity of a plutocratic oligarchy and a blow against the living standards of the people.

The present regime goes on making concessions and giving privileges to domestic and foreign capital, submits to the terms imposed by the IMF, U.S., Saudi Arabia, and United Arab Emirates. All these lead to an uncontrollable inflation and high prices which make living unbearable.

The Egyptian delegation told of the growing struggle of the Egyptian people and of the Communist Party — a struggle expressed in the strikes and massive popular

demonstrations in the cities and suburbs which reached their peak on January 16, 1977.

Egyptian And Israeli Military Collaborating, Soviets Report

The following commentary appeared in the Soviet military paper Red Star on April 18.

BAGHDAD 18 April (TASS) The newspaper Tariq Ash-Shaab writes that the policy of Egypt and the Sudan,

which are obediently carrying out Washington's plans in Zaire, is causing irreparable damage to the basic interests of the peoples of the African and Arab countries. The Iraqi people and all progressive forces, writes the paper, angrily condemn the Arab regimes which have sent their troops to help their U.S. friends and Tel Aviv instead of fighting for liberation of the occupied Arab territories and restoration of the legal rights of the Arab people of Palestine.

In this connection, the Arab press points out the fact that Israeli and Egyptian specialists are closely collaborating in Zaire under U.S. supervision.

Carter's Turkish Arms Package To Trigger Eastern Mediterranean Crisis

After a "three-month policy review" of the eastern Mediterranean situation, the Carter Administration pulled out and endorsed the controversial four-year, \$1 billion Turkey Defense Cooperation Agreement that was signed last year by Secretary of State Kissinger but was not approved by Congress. Qualifying — and essentially contradicting — his endorsement of the package, Carter stipulated that Congress need not give the proposal serious consideration until the Turks make major territorial concessions on Cyprus. By talking out of both sides of his mouth, Carter is consciously aiming to play upon and exacerbate Greek-Turkish hostilities in order to prevent a Soviet-backed Cyprus peace effort from successfully drying out the region.

Carter's insistence on linking the defense accord to Cyprus concessions reverses the Ford Administration's policy of keeping the two issues separated. Carter's linkage threatens to sabotage delicate regional peace maneuvers currently taking place outside of NATO's aegis by making it politically impossible for the Turks to make any concessions on Cyprus whatsoever. With Turkish general elections slated for June 5, and anti-U.S. sentiment in Turkey widespread, it would be political suicide for the Turkish government to buckle under — or even appear to consider — Carter's demands.

On April 20 commentary by syndicated columnists Evans and Novak described Carter's decision to use the defense agreement as a lever against the Turks as "filled with danger." The Carter decision, wrote Evans and Novak, "has thrown Turkey off balance and is undermining its political center of gravity."

Greece, too, has been thrown off balance by Carter's ploy, with the Rockefeller-linked Greek lobby in the U.S. Congress and its networks in Greece leading the hue and cry. Having supported Carter in his election campaign because of his so-called pro-Greek tilt, these Greeks and Greek-Americans are now complaining that Carter has let them down by endorsing the Turkish military pact prior to Turkish concessions. In addition, a request to Congress by Carter for additional arms sales credits for

Turkey — a request designed, supposedly, to placate the Turks — has, predictably, evoked an outcry from the Greek lobby. The State Department "explained" that the President had "hoped" that the two acts — endorsement of the arms agreement and a request for further credits for Turkey — would not arouse Greek animosity!

A Philadelphia-based specialist on eastern Mediterranean affairs assessed the Administration's policy: "I think Carter's proposal to Congress on the Turkish arms question is stupid! It's typical and illustrative of the overall foreign policy of the administration. There's going to be a lot of trouble in Congress over this package."

Makarios: "Carter Can't Fool Us"

Carter's Turkish defense pact caper was timed to derail a major diplomatic effort by the Soviet Union in the eastern Mediterranean for a Cyprus settlement. This month, a high level Soviet delegation led by Vassily Grubiakov, chief of the Turkey-Greece-Cyprus division of the Soviet Foreign Ministry, visited Athens and Nicosia. The talks in Athens between Greek Prime Minister Constantine Karamanlis and Grubiakov marked the first high-level public contact between the Soviet and Greek governments in more than a decade. Both parties warmly described the meetings as a "rapprochement" between the two countries, which in the words of a Greek government spokesman, open the way for "the systematic improvement of relations between Greece and the Soviet Union."

On April 18, the Soviet delegation arrived in Cyprus from Athens and met with Greek Cypriot leaders. Significantly, Grubiakov also met with Turkish Cypriot leader Rauf Denktas, who, in what amounted to a clear signal from his Turkish government backers, praised the Soviet peace efforts.

Also squarely behind the Soviet initiatives is Cypriot president Archbishop Makarios. According to the April 19 *Financial Times* of London, Makarios is engineering a major policy shift away from the U.S. and toward the