

by War Minister Gamassi, had strongly suggested that Sadat put a stop to the organizing of the Wafd and the leftists.

The Wafd, in particular, was the real danger. With military contacts of its own and with outside support from British interests who had maintained links to the Wafd since the days of World War I, the Wafd was beginning to represent a serious threat, led by Faud Seraggeddine, the hated interior minister under the last royal government overthrown by Nasser and Sadat. Notably, Sadat did not blame the Soviet Union for his troubles during the purge, as is his wont, but on several occasions directly attacked the British.

In a May 30 interview with Western correspondents Sadat accused the BBC, *London Times*, and the British *Guardian* of lending support to critics of the regime, such as Heykal, and warned them not to abuse their privileges. The same day, the Cairo daily *Al Akhbar* warned the BBC correspondent not to think that "the guarantees of freedom of the press mean that he can join the opposition" to the government. Sadat compared the operation to that of Lord Haw Haw, who broadcast fascist propaganda to England from Germany during World War II.

Still more significant information came with the arrest of yet another terrorist ring, this one masterminded by Abdel-Megiud Farid, the former chief of Egyptian intelligence who is now, in exile, an aide to Algeria's President Boumediene. Farid is forming, the Egyptians revealed, an "Egyptian Liberation Front" that was planning terrorism and assassination inside Egypt.

An important angle, from the standpoint of intelligence, was provided by the rapidly developing relations between France and Saudi Arabia. The Saudis established close links with the leading circles of the French aerospace industry, headed by Marcel Dassault. The Saudi intermediary for the talks, which coincided with the visit of King Khalid to France, was Adnan Ojeh, a Syrian who now lives in Saudi Arabia. Ojeh who is closely linked to the Gaullist intelligence apparatus, was close to Gen. de Gaulle personally. He now is a friend of the outspoken prodevelopment Gaullist leader Michel Debré. Ojeh is assembling the various disparate French airlines into a major national grid in France, and is channeling billions of Saudi dollars into Dassault and the Arab Industries Organization.

— Robert Dreyfuss

'We Have One Foot Through The Door'

The Philippines' Energy Secretary issues a nuclear development challenge

Exclusive to the Executive Intelligence Review

Nuclear energy technology for developing countries was the challenge carried to the U.S. by Philippine Energy Secretary Geronimo Velasco last month when he met with Energy Secretary James Schlesinger in Washington, and with leaders of the American business community in New York City.

allegations have never been proven, despite Security Exchange Commission investigation.

It has been reported in both the U.S. and in the Philippines that the press slanders aimed at not only sabotaging the Philippine nuclear program but more broadly at the U.S. Export-Import Bank—the major financier of American-built nuclear power plants built overseas, including the Philippine plant.

SOUTHEAST ASIA

The Philippines is in the midst of an ambitious energy program to expand their power generation capacity as well as diversify their energy sources. Central to the program is a nuclear power plant now under construction by Westinghouse Corporation with plans underway for a second. It is this atomic energy program which, like those of Brazil, India, and Pakistan have brought the Philippines into sharp conflict with the Carter Administration's and particularly Schlesinger's anti-nuclear policy.

The Philippine nuclear program obviously loomed large in Secretary Velasco's discussions in Washington. Several months ago the *Washington Post* and *New York Times* published a series of articles alleging illegal payments by Westinghouse Corporation to Philippine businessmen who, in turn were linked to President Marcos, to win over the contract from Westinghouse's competitors. As this news service reported, such

"A Step In The Right Direction"

While in the U.S., Philippine Energy Secretary Geronimo Velasco outlined his government's energy development perspective in an interview with NSIPS. Here excerpts:

Q: Citing so-called technical dangers and fear of the proliferation of nuclear weapons, the environmentalists in the Carter Administration have called for curtailment of nuclear energy development, particularly for the developing sector. This concern has led to the implementation of the Nonproliferation Act. In view of these concerns in Washington, could you please comment on your just-concluded talks there?

A: Obviously you are referring to the nuclear energy plant we are building; for the supply of enriched uranium, the enrichment will be done in the United States. I don't think we'll have any problem. We are signatories to the Nonproliferation Treaty and we, of course, abide by the latest regulations in the Nonproliferation bill, which was passed last March.

And of course the other side of that question is that unless we agree to abide by our bilateral treaty, there might be a refusal on the part of the United States to ship the reactor vessel at such a point in time.

Q: Japanese Prime Minister Fukuda recently called for close cooperation between Japan and the United States in the economic development of Southeast Asia and Indochina. He particularly called for joint development of fusion-based technology between the two powers to be extended to the developing sector. Could you comment on these proposals?

A: Certainly I think Mr. Fukuda's proposals, from a Philippine viewpoint, are a step in the right direction, because there will be more opportunities for nations like ours to avail themselves of facilities—not just enrichment—but even technologies that will be available to the other countries. Also we have economic relations with these countries, especially Japan which is our largest trading partner....In our particular region, the ASEAN region, we are the only ones that have a nuclear plant under construction....

The invitation has been extended internationally. . . . France is going to have enrichment facilities; the Soviet Union obviously has enrichment facilities; I don't know if China was part of this invitation but probably, India was, so to speak, and Africa has control of uranium resources. So I think internationally it is a step in the right direction. Now probably from an American viewpoint it will have to be rather guardedly accepted...you have your own interests.

Q: In your talks in Washington and those recently held in Manila with Vice-President Mondale, did you see support for this proposal?

A: Well, I think Mr. Fukuda's concerns are basically with Japan's nuclear program because Japan is quite heavily committed to nuclear power. I visited Japan last December and am told that they have 10,000 megawatts in operation today. The 1980s will bring them to twice that, more than 20,000 megawatts. So it is going to be a fast development on their part and they have had considerable success in the operation of nuclear power plants. Mr. Fukuda's thrust is along the fusion side.

Coupled with that there is a trade problem between Japan and the United States. Now I don't mean to speak of this with an expert's knowledge, but certainly Japan needs to import more from the U.S., and probably this is one area, nuclear development, that is promising. Also in the energy field Japan has made, and is surveying — and I hope to have some serious conversations with the government of Japan about the end of June — floating thermal power plants. They want to buy essential American equipment and put it on a barge which they hope to build in their shipyards, which are rather idle these days, and give them to the developing countries on a long term arrangement as the most rapid way to get it out. We have had conversations on this already. This is one of the ways they plan to solve their balance of payments problems. We like that kind of solution between developed countries because the end track is a development assistance which will have an infrastructural impact.

Q: Do you envision Soviet and East European involvement in energy development in the Philippines?

A: Generally yes, but not nuclear. There has been an offer but their involvement at the moment is in coal. Romania has sold us a drilling rig at a time when we couldn't buy a drilling rig. We now have it in operation. Poland and Czechoslovakia have offered technology in coal development. These people have the expertise in coal. The nuclear offer from the Soviet Union is really only an offer but we are still considering it.

As far as the security of the region is concerned, this is totally out of my province; but of course the more cooperation you have between the developed countries, the better the security and stability of the region.

Q: The question of energy development is integral to the overall development of a nation. How do you think the Philippines will be developing its energy resources and potentials?

A: Our thrust for development is to solve the problem of today. That is that 95 percent of our energy needs is oil. Only 5 percent is indigenous, and that is hydroelectric. We have prepared a program — and in fact we will see its reality next year in rather concrete terms — to go non-oil for one, and two, indigenous. We have gone into a diversification of energy sources. We have geothermal, we have coal; we are going to develop more hydroelectric, and of course, we have the nuclear approach....

Q: Could you describe your ambitious rural electrification program?

A: We have just signed a World Bank loan for \$60 million. It is the first World Bank loan that has been granted for a rural electrification program. That's quite significant because we have been used as a model in rural electrification. You will notice that our energy diversification and the indigenous energy resources that we have lends itself towards power generation. Hydroelectric is really electric power generation; coal is essentially a power source; geothermal is also essentially a power source and nuclear no doubt is a power source. So with this we will be able to complete the total electrification of the country. As of today only 30 percent of our homes are given the benefit of electricity. This loan was given for the completion of what we call the "backbone system" by 1984. By 1990 our program calls for total electrification of the country. In other words, every town, every municipality will have electricity.

Q: Could you describe your nuclear energy program?

A: We have one plant in the process of being built, with foundations for facilities for a second plant. When do we make the decision for the second plant, and how far do we go beyond that? As far as I am concerned, for today I would like to see this first plant completed and see what our experience is with it. I am optimistic because we have good people who are properly trained. This plant will come out well

Our first foot is not only in the door but our second foot will be soon crossing that threshold fairly soon. And I hope we can walk the proper way — if we do, then certainly we will be taking more steps.