

Economic Crisis Prodding Egypt To Seek New Allies

Sept 24 (NSIPS) — Tremendous social and economic unrest has created an internal crisis in Egypt that could force the Egyptian government of Anwar Sadat to seek ties with the emerging Italian led group of nations who are now creating a Mediterranean "peace zone."

The cause of the Egyptian unrest is the \$16 billion foreign debt, for whose repayment, the IMF is demanding extreme domestic austerity.

To help foster Sadat's independence of the IMF and draw him into the Mediterranean peace pact, Italian Premier Giulio Andreotti met personally with the ambassadors of Egypt, Libya and Somalia, Sept. 19, along with the development oriented president of the Italian Central Bank to discuss financing of trade agreements. The Italian press has quoted a leading Egyptian deputy planning minister on the necessity of expanded regional trade and development agreements, while giving prominent coverage to Egyptian regional peace efforts centering on Lebanon and a Geneva Mideast peace conference.

In the meantime, the Sadat government has attempted to cutback the already meager standard of living, in accord with IMF demands, leaving the Egyptian working class angry and ready to explode. Egypt, as one Middle East expert remarked this week is a "tinderbox."

The situation is so explosive that the news of riots and strikes can no longer be withheld. Two weeks ago, the French daily *Le Monde* broke the black-out on the internal unrest, with the news that riots in a Cairo suburb resulted in arrests of 8000 and the death of one at the hands of Cairo police. A week later Italian, French, and British press reported violent clashes with police, two dead, and thousands of demonstrators outside of President

Sadat's house. There were an unprecedented 24 strikes on the average for the months of July and August, suggesting that the two major incidents reported were but the tip of the iceberg.

To control the unrest and counter the strong organizing of the left, Sadat, under orders from Henry Kissinger and Saudi Arabia, has allowed the resurrection of Egypt's pro-Nazi "Muslim Brotherhood," banned for 20 years after it attempted to assassinate former president Nasser. At the same time, left Nasserite sources report that the Egyptian army is being infiltrated by U.S. intelligence agents. Since the army is Egypt's traditional source of leadership during times of social unrest, this is U.S. Secretary of State Kissinger's way of holding a club over Sadat's head: deliver on the IMF austerity demands, or he is finished. David Rockefeller will personally visit Egypt in mid-October to arrange the implementation of the latest IMF plan, which effectively calls for genocide — an 80 per cent devaluation of the Egyptian pound.

Rockefeller's Chase Manhattan and Citibank are now engaged in a strongarm campaign against Sadat's cabinet, whose members are generally opposed to auto-genocide. Officials from both banks held a closed conference with 16 Egyptian officials from various ministries with the explicit aim of preventing an open announcement by Egypt that the government has stopped loan payments to commercial banks. According to a New York banker, Chase officials are desperate to keep a secret of the fact that "Egypt has stopped paying its debts from 1975 on up." The truth may trigger a chain of debt moratoria throughout Africa and the Third World. A second source reported that Chase and Citibank are angered that the Ford Administration will not bail out rotten loans to the devastated Egyptian economy.

Yugoslav Paper Interviews Egypt's Foreign Minister

Sept. 24 (NSIPS) — The following is excerpted from an article appearing in the Yugoslav daily Politika Sept. 19, written by that paper's Cairo correspondent.

In an interview with the weekly *Akersaa*, (Egyptian Foreign Minister) Fahmi said that "Egypt has been doing everything in its power to stop the deterioration of the situation in Lebanon," and declared that any "military intervention by Cairo is entirely unacceptable." The minister referred to the statement of Suleiman Franjeh that if Gamel Abdel Nasser were alive, he would have sent in his own troops to prevent the present development of the Lebanese situation from occurring. Fahmi stated: "Franjeh used Nasser's name as an attempt to justify his own flouting of the Cairo agreements on relations between Lebanese and Palestinians." Citing examples from earlier situations of inter-Arab tension — the falling out between Egypt and Syria, the massacre of Palestinians in Jordan — Fahmi categorically rejected the idea that the late president would have been ready to send in troops.

In connection with why the... "Arab summit" was scheduled for a full six weeks after the ministerial conference, Fahmi said, "The meeting would be ineffective if held before establishment of a legitimate authority in Lebanon," before the assumption of power by Sarkis. "Sarkis and his government will be able to demand from the Syrian forces that they either stay in Lebanon or leave. Also, the Arab summit will be an opportunity for new decisions on replacing Damascus' troops with Arab peace forces," said Fahmi — which is in reference to the fact that the Syrians crossed the border without agreement from the Lebanese....

Concerning the Palestinians, the minister categorically affirmed support for Arafat as the leader of the PLO... "the legitimate representative of the people." "Only the Palestinians themselves can change their leadership," added Fahmi, commenting on reports that Damascus wants to replace Arafat.

Since convocation of a Geneva conference before 1977 will not be possible, Fahmi indicated what he considers to be alternatives for the Middle East: "The United Nations or any other body which that international organization might create for effecting a peaceful settlement. Barring something of this sort, nothing would remain but to apply force to liberate the occupied lands."

Turning to Cairo's relations with other "fraternal countries," Fahmi stated that "Arab solidarity is one of the foundations of Egyptian foreign policy.

"Egypt does not have complexes. We will not be tolerant to those who make mistakes — we will not sacrifice everything for the sake of Arab solidarity."

This statement related directly to the question of Syria. More broadly, the minister touched on the delicate relations with Libya. Fahmi appealed in the name of his government to Qadafi, who recently gave an interview to the Egyptian paper *Rose al Youssef*: "If the Colonel were serious, if he was admitting his mistakes, and if we accept his statement as a political apology to President Sadat and the Egyptian people, then we should give him a chance to prove his good intentions."

Qadafi recently said that Sadat is like a father....

"If Qadafi changes his method," said Fahmi, "— and we are all human and can all make mistakes — I assure you that the Egyptian people will accept Qadafi as their own son."