

World Bank then announced a \$100 million loan to "reorganize" the cotton industry, along its labor-intensive lines.

Sadat is clearing away the commitment of Egypt's state-owned industrial sector to trade with the USSR in order to open up Egypt for further looting by the U.S. banks. According to the French daily *Le Monde*, the U.S. has pumped very little money into the industrialized sector, a fact that has made the Egyptian bourgeoisie squirm. "Today the banks are the sole branch of the American economy that have realized a real penetration in Egypt, with Chase Manhattan in the lead," *Le Monde* said.

The U.S. balance of payments deficit financing to Egypt more than doubled in 1977, reaching the astronomical figure of \$500 million, but only 20 percent of the U.S. aid, according to *Le Monde*, went to help Egypt industrialize; the rest went to the debt sinkhole. Since 1972, Rockefeller banks have been involved in squeezing both the Soviet Union and Europe out of Egyptian trade and forced Egypt into exporting to pay the debt instead of meeting domestic consumption needs. Today Egypt is almost totally dependent upon U.S. wheat supplies, with purchases climbing from \$72 million in 1972 to \$810 million in 1977.

#### *How Long a Vacation*

The news media internationally stress that Sadat is caught between Egypt's left and right political factions and under severe strain. Left-Nasserist elements in the army and bourgeois industrial layers may be getting ready to "close the door" on Sadat and his Chase Manhattan option.

In what the *Jerusalem Post* describes as "an unprecedented event," the President announced that he will take a month's vacation in the Ramadan period, an event that hasn't happened in Egypt since King Farouk's vacation when he was ousted by Gamal Abdel Nasser in 1952.

In the interim, Vice President and army strongman Mubarak will head up the government. According to the Beirut daily *An Nahar*, Egyptian policy is being "reassessed" in the wake of Vance's trip to the Mideast.

The reports on Sadat's situation have stressed the mounting tension in the army. "Private sources have made it known that there is mounting impatience in the Egyptian army. Many officers have been asking their superiors, in the event of war, how Egypt intends to win that war without Soviet arms and spare parts," the French daily *Le Figaro* reported.

A Washington-based banker warned, "You must watch the army. The young officer corps is anxiety-ridden. They know they would lose the next war."

## Crisis On West Bank

The interplay between the Carter Administration's Mideast diplomacy and the increased activity of Israel's expansionist extremists has become one of the gravest dangers to world peace. After Secretary of State Cyrus Vance's Mideast trip, a major crisis is shaping up over the disputed West Bank, a crisis with an in-built "uncontrollability" element that could within days set in motion a general Arab-Israeli war.

### ISRAEL

In Israel, the Gush Emunim, a fanatic, religious-nationalist sect, has made it clear that it desires to *provoke* just such a crisis. The *Baltimore Sun* reported Aug. 11 that the group has just announced its plan to expand illegal settlements across the West Bank, itself an insurrectionary step against the Begin government.

"If the new government takes the same attitude as the old" and tries to clamp down on illegal, unauthorized West Bank settlements, then "we will return to the grab-and-settle tactics, reclaiming the land for its people," a Gush spokesman warned. "We will not be stopped.... Settling the land and holding it against all the international pressures to give it up requires a massive effort, a campaign of the whole Jewish people.... Time is running, and no government, quite frankly, is going to stand in our way."

In its three and a half years of existence, Gush Emunim has been supported both by leading Israeli Atlanticist agents like current Foreign Minister Moshe Dayan and by nationalists like Begin.

In the past few weeks, the Begin government has authorized previously unauthorized settlements in the West Bank: has extended Israeli state services to West Bank residents, a move openly flaunted as preparatory to future annexation moves; and has announced plans for the creation of at least three new settlements in the area.

To excuse their provocations, Begin and Dayan can point to the Gush — several thousand strong with a mobilizable support base numbering between 20,000 and 30,000 — as a force hemming in the government's ability to relinquish the West Bank.

For Begin, a different course of action — i.e., a clampdown on the Gush Emunim's illegal West Bank settlement activities — has been preempted by the Carter Administration's public chastisement of Israeli government actions. A Begin move to rein in the Gush would seriously jeopardize his fragile majority coalition — which depends for its existence on the support of pro-Gush Emunim extremists — and would open up his government to charges of "caving in to U.S. pressure."

Under these conditions, ominous clouds of confrontation are beginning to hang over the West Bank. Responding to the Gush Emunim's new settlement campaign, a spokesman for the Arab-populated township of Nablus was quoted by the *Sun* as declaring, "If they

get closer to Nablus, there will be demonstrations far greater than before. The protests could easily turn very violent. The Army will not be able to keep this area quiet, or even protect the settlers.”

Various Palestinian groups have also pledged to mobilize the West Bank population against the “Zionist

occupiers.” Several bombs have this month exploded in populated Israeli urban centers, and Palestinian groups have publicly claimed responsibility. Observers in Beirut now claim that the Palestinian resistance movement will answer the Israeli government’s West Bank actions with “armed actions” within Israel itself.