

even worse recession later. Such are the prognostications on which U.S. economic policy is now being made.

But even worse is the advice being proffered to the U.S. business community by the enemies of a prosperous United States. On Oct. 5 100 top American corporate executives attending a Conference Board-sponsored seminar at New York's Waldorf Astoria listened attentively as a Swiss banker told them that the U.S. Federal Reserve would have to raise its discount rate "three or four percentage points" to halt the collapse of the U.S. dollar on the international markets. The U.S. must "show the world, as the U.K. was forced to do not so long ago, that it means business and that it is determined to put its internal and external house in order. . . . Such a measure would certainly not kill the American economy," sneered Hans Baer, chairman and managing director of the Bank Julius Baer, the largest private bank in Switzerland. Baer also peddled the British-sponsored lie that the European Monetary System will "reduce the acceptability of the dollar" and that OPEC will shortly abandon the dollar as payment for its oil for a "basket of currencies." As a result, Baer "predicted," the present dollar collapse will continue unabated and the entire world monetary system is poised on an "abyss." The Europeans and Japanese

will attempt to compensate for the dollar's depreciation, which raises the dollar price of their own exports, by subsidizing their exports and the U.S. will retaliate with countervailing duties.

Trade policy: "Jap-bashing"

Following Britain's trade war scenario to the letter, a captive Carter Administration has in recent weeks transformed its "export promotion" policy into an undisguised effort to grab a bigger "market share" for U.S. products at the expense of other nations. Commerce Secretary Juanita Kreps, who led a 140-member mission of U.S. businessmen to Japan, warned at a Tokyo press conference Oct. 5 that Japan had better rectify its trade surplus with the U.S. quickly "if trade is to continue on anything like its present scale." Kreps estimated that Japan will run a \$20 billion trade surplus with the world this year, or \$7 billion more than other U.S. officials have previously predicted.

Kreps demanded that the Japanese government alter its procurement policies to purchase more goods from American suppliers, and then proceeded to cancel meetings with three Japanese cabinet officials due to "lack of time"—a calculated insult.

—Lydia Dittler

2. Camp David leaves Mideast policy in ruins

Less than one month after the end of the marathon summit at Camp David, American Middle East policy is in a shambles. Despite President Carter's fantasy-ridden claims that the Camp David accords were a "historic step toward peace," despite the favorable Madison Avenue public relations job, the unstable and unworkable "framework" announced after Camp David has brought the Middle East and the world immeasurably closer to war.

The White House and the National Security Council have imposed a top-down gag rule on the entire Administration in a partially successful effort to prevent any public, or even leaked criticism of the Camp David fiasco. But in the corridors of Washington sentiment is running overwhelmingly against Camp David among Middle East professionals and old U.S. Arabian hands.

They know it won't work.

The record so far

Put briefly, the following is the record of results of the Camp David summit.

Sadat's position undermined. President Sadat of Egypt, who was blackmailed into abandoning his insistence on an overall peace, has seen his own domestic position dramatically undermined. In addition,

he has been hermetically isolated from the entire Arab world: not a single Arab nation, not even one of Egypt's closest allies, has spoken out in favor of Camp David.

War in Lebanon. The crisis in Lebanon, simmering since the end of the civil war in October 1976, exploded again into full violence. Far from leading to peace, Camp David's deliberate snubbing of Syria and the PLO, and Israel's stepped-up support for the Nazi Falangists and ex-President Camille Chamoun, has set up an imminent Israeli-Syrian confrontation — which Sadat's fragile regime could not survive.

U.S. interests hurt. The entire Arab world, from conservative Saudi Arabia and Morocco to radical Iraq and the Syrian-led Arab Steadfastness Front, has united in opposition to Camp David. Because of what the Arabs perceive as a total failure of American will at Camp David in capitulating to Zionist pressure, the political and economic interests of the United States in the Arab world may be irreparably hurt.

Detente damaged. The Soviet Union, on the eve of the SALT accord, is at loggerheads with the United States over what it sees, correctly, as a Brzezinski-directed anti-Soviet thrust in the Middle East.

Rejection by allies. Finally, America's allies, especially West Germany, France, and Japan, are extreme-

ly worried about the dangerous consequences of the Camp David strategy, and have flatly refused to support an Egypt-Israel pact.

What went wrong?

What happened to set into motion such an egregious U.S. blunder? The critical period was mid-August, when NSC director Brzezinski launched what one high State Department official called a "cold coup" in the Administration, and all interdepartmental and department-to-President communications were ordered routed through the NSC. That, combined with the virtual elimination of the CIA as a competent intelligence-evaluation organization by CIA Director Turner's purges and Frank Church's scandal-mongering, has created an enormous intelligence vacuum in Washington, enveloping the Carter regime in fog.

The Brzezinski coup set U.S. policy into alliance with Israel, a fact that Sadat quickly found out at Camp David. Brzezinski's overall strategy is to establish an Egypt-Israel alliance as the core of a NATO-style bloc in the Middle East, which would then form close ties with Peking and Peking's Asian allies. This strategy is directly lifted from the geopolitical doctrine and outlook of the British International Institute of Strategic Studies and the City of London's Knights of Malta.

But Brzezinski made two major miscalculations.

First, Brzezinski — and Kissinger, the real architect of Camp David — miscalculated on the activation of the USSR's alliance with Syria to resist the Camp David conspiracy. Naturally, Carter, Sadat, and Begin did not overlook Syria at Camp David: instead, they plotted the "balkanization" of the entire Arab East, including Syria, among competing nationalisms and religious animosities; the creation of a Maronite state in Lebanon with Israeli support was to be the first such move against the Arab world.

But immediately the Syrian Army, backed by the USSR, responded to the first Falangist provocations in Lebanon by ruthlessly moving to crush their power and destroy Chamoun. The Administration very badly underestimated the binding force of the Syrian-Soviet axis, and thus did not expect Syria to be able to take such direct and aggressive military action against Lebanon's fascists.

Israel, of course, although supplying men and equipment to Chamoun, is not able to intervene directly without risking the collapse of the Egypt-Israel talks — and probably the overthrow of Sadat. While Israel may yet move militarily into Lebanon to defend its fascist allies, it must take into account Sadat's delicate position but also the grave danger that a Syria-Israel confrontation could draw in the USSR and lead to World War III.

Second, Brzezinski and Kissinger miscalculated widely on the reaction in Western Europe. While Syria and the USSR might be expected to attack Camp David, the rejection of a bilateral peace by the Europeans and Japanese left the United States little maneuvering room. Syrian President Assad had just made a highly successful visit to Bonn, West Germany, last month, and both the West Germans and French responded to Camp David by supporting the rights of the Palestinians to an independent state and the need for an overall settlement of the Middle East question.

The stand by the West Europeans — except the British, of course, who warmly welcomed Camp David's framework — made it virtually certain that the Arab "swing states," Saudi Arabia and Jordan, would not join in the Sadat capitulation.

More important, the West European stand guaranteed that the Camp David framework would not result in a Cold War-style polarization in the area, pitting the West against the USSR and its allies. This polarization was one of Brzezinski's chief goals, in order to halt the rapid expansion of Soviet-EEC ties, led by Chancellor Schmidt's detente policy.

The Iraq-Saudi alliance

While the Administration's Mickey Mouses refused to acknowledge reality, both Jordan's King Hussein and the Saudi leadership decisively rejected the offer from Sadat to join him in the stew.

Instead, the Arab world is preparing for a summit of 20 heads of state, excepting Sadat, to be held in Baghdad on Nov. 1. The plans for the summit were discussed last week at a highly unusual meeting between Saudi Crown Prince Fahd and Iraqi Prime Minister Saddam Hussein. Iraq, which called the summit, has put forward an agenda to include the creation of a \$9 billion Arab fund, renewed every year, to include \$5 billion for the economic development of Egypt! The Iraqis have also taken the lead in reconciliation with the Syrians.

Every Arab country except Lebanon has endorsed the Iraqi call, and foreign ministers will meet in Baghdad on Oct. 20 to prepare the summit.

As a result, Sadat's position is declining fast. There are important signs that the Egyptian Army is unhappy with Camp David, including the removal of both War Minister Gamassi and Chief of Staff Ali Fahmi by Sadat: Gamassi, "kicked upstairs" to the post of presidential advisor, has since resigned, and General Ali Fahmi sent a letter to PLO Chairman Arafat denouncing Camp David! Other key ministers, like Education Minister Hilmi, also refused to take part in the new Cabinet, and even Sadat intimate Ashraf Marwan has been ousted or resigned from his post as chief of the Saudi-French Arab Industry Organization.

— Robert Dreyfuss