

what argument will Assad be able to convince opinion that his aggression against the Palestinians established in a neighboring country is justified?

—But some Lebanese and Palestinians do not rule out a victory for Syria, based on the regional and international balance of forces which is not in their favor...

"I do not deny that the conspiracy has powerful international ramifications, that the progressive-Palestinian camp is in an inferior position. But history witnesses that the balance of forces becomes a secondary factor when a people has decided to fight for their independence, the heroic resistance of the Algerian people for their independence, the heroic resistance of the Vietnamese people, unfolded in the first years in analogous conditions. Even the socialist camp doubted the chances of success of these national liberation movements in the beginning. Nothing is secure, nothing is definitive in analogous cases. The fall of this or that Palestinian camp will only be a lost battle. The war will continue and be won by the fedayin and the Lebanese left..."

—In spite of the passivity of the USSR and the USA?

"First of all, it is insane that there exists a Soviet-American 'collusion.' The U.S. is masterminding the plot (in Lebanon). They are as interested as their Mideast partners in destroying the Palestinian movement to open the way for the capitulation of the Arab world to the Zionist entity. Do you think that the American leaders would have dared crossed their arms like they are doing today if some Arab state had dared to invade another Arab country? The goal of the operation in Lebanon is not only to regulate the Arab-Israeli conflict according to the wishes of Washington, but also to spread American hegemony in the region to the detriment of the progressive forces and their Soviet friends.

"As for the USSR, she has made known her disapproval of the Syrian military intervention. Maybe her close relations with Damascus embarrass her to the point of preventing her from expressing herself in a more clear and vigorous manner. But our exchanges with the Soviet leaders — and I prefer not to enlarge on this subject — permit us to maintain that their position is at the opposite of that of the American leaders."

—What do you think of the attitude of France?

"Our relations with France are, in general, good, and we wish to develop them in all areas, while we are not unaware of the existence in the heart of the government in Paris of a pro-American current which influences the politics of this government in a negative and nefast sense for French-Arab relations. That said, we have the sentiment that the attitude of Paris is evolving in the good direction."

He would not elaborate on the latter point. But his entourage said he was particularly impressed by two gestures of Chirac: Chirac consulted him by phone on the evening of the Assad visit; and the French-Syrian communique was given beforehand to the Iraqi ambassador in Paris, Windaoui, who found it satisfactory. Faced with a conjuncture of such rare complexity which risks provoking chain reaction explosions in the Mideast, Iraq follows a policy of firmness allied with prudence. A good part of their army is on the Syrian border. But Saddam says:

"Our troops are destined to fight Israel and not a brother country."

—But doesn't their presence there have something to do with the Lebanese crisis?

"I will leave it up to you to draw yourself the conclusions that appear logical to you."

NSIPS Exclusive Interviews Reveal:

Why Sadat Is In Trouble

July 10 (NSIPS) — David Rockefeller, chairman of the Chase Manhattan Bank, the International Monetary Fund, and the World Bank, have demanded that Egyptian President Anwar Sadat implement their proposed plan for the destruction of the Egyptian industry to guarantee the repayment of the country's \$14 billion national debt. The IMF has specifically demanded that Sadat convert the Egyptian economy into slave labor farm camps.

Long-time IMF agent Dr. Fuad Sherif, who at present holds the post of Egyptian Minister of State Development and Administration, declared in a June 25 interview with the Middle East Economic Digest, that "Life in Cairo should be made so unpleasant that people will move out. Living allowances should be made available for those who move to the provinces and Cairo should be left as it is. It makes economic nonsense to invest more in the infrastructure of Cairo and for this reason the proposed underground would be a huge white elephant. One has to remove a huge chunk of people and restore an equilibrium between demand and supply by removing excess demand."

Fuad Sherif, who was thrown out of the national planning Department by the late Egyptian leader Gamal Abdel Nasser, has made a career as a Third World consultant for the United Nations, and is openly attempting to make Egypt an example for the rest of the underdeveloped countries, according to one IMF official. Sherif is also trying to teach the Egyptian government methods of "decentralization" in order to impose an "open door policy," the official said. However, as an IMF official said this week, Sadat is facing strong opposition for the decentralization of the industry, by Egyptian industrialists.

Without any political and economic support for their proposals, the IMF and Egyptian authorities have reluctantly been forced to announce that the introduction of the floating of the Egyptian pound will be "indefinitely delayed," the Financial Times reported this week. The decision produced waves of panic among Egypt's Western creditors and in the World Bank. West German bankers report that Robert McNamara's crew immediately put together a commission of economic advisors, from France, Britain, West Germany and the Bank itself to "monitor" the Egyptian debt on monthly basis, and make sure that the \$175 million monthly debt service payments are collected.

The following dialogue took place over the phone, with an IMF official in Egypt. After being informed of Dr. Sherif's remarks in the Middle East Economic Digest, the official was asked to give a definitive statement on how the IMF plans to solve the Egyptian economic crisis. His comments were the following:

"There is a great resistance to the IMF's proposal for the decentralization of the Egyptian economy. The reason is that prices of industrial products and agricultural products are going to be higher. Secondly, most of the Egyptian industry is based on Soviet parts and products. You can see there what the pressures are. The only way that Sadat can overcome his opposition is by closing down those industries that oppose the decentralization, which is one of the IMF's fundamental

reform proposals for the Egyptian economy. Without such reforms, the Egyptian economy can't survive any longer. Our program is going to take 3 years to bring results. But as I said before, that depends on what is going to happen with the industries.

"As Dr. Sherif said, the Egyptian population must get into a war-footing situation if it was to change its economy. Egypt is in a very sensitive phase if Sadat does not move fast enough. Look at the Saudis and Kuwaitis, they want to invest in the agricultural sector but they are afraid, because Sadat was not dealing with the problems. One of them is how to resettle the population back to the Suez Canal zone. Sadat must stop the inflow of the population into Cairo and he must bring the peasants back to the rural areas where they belong. They must start to produce. But they must be able to go back, they need some kind of security and that is why the idea of decentralization is so important.

"Obviously, everything has been dependent on the IMF, the U.S. and the Arabs; however, the Egyptians, and specifically the industrialists, must learn to operate in the free market and in a dual one."

The following conversation took place over the phone, with an expert on Egyptian affairs of the State University of New York. His comments on the Egyptian situation were as follows.

Expert: I am not interested in what you have to say about Egypt.I know all about the latest Egyptian developments, I am the authority on Middle East affairs ... Look, Sadat is in deep trouble, worse than you think. First, the leadership of the trade unions in the industries that he wants to decentralize and the proletariat, if you permit me to use a Communist phrase, know exactly what the decentralization of industries mean.... The second element to Sadat's opposition is the Arab Socialist Union. The ASU has strongholds in the unions' leadership. The trade unions are going to be doing what the ASU does.

NSIPS: What about the leadership of the ASU, who controls them?

Expert: Sadat does (control the ASU), but they have nothing to do with the membership. You see, before Sadat, the ASU was responsible for the major economic programs. Now, not even Sadat has any control over the economic life of the country. Sadat thought by putting his people in the ASU leadership, he could control the economic planning, but that was not a successful approach. His leadership had no control over the membership, so the Ministries are now responsible

for the so-called open economic policy.

Who controls the Ministers? The powerful Egyptian families. These families, like Marei, are the political supporters of Sadat's policies. However, they are getting their hot profits out of the country, and Sadat can not do anything about it. Who helps them to get their currencies out of the country? The American banks. They are depleting of all its resources. You can see now how crazy the American policy is.

So back to the ASU. The ASU is a very well organized institution, it has strongholds all over the country, but the main problem is the farmers. The farmers are always traditionalists. Nasser never broke them and they (farmers) have strong connections with Marei and the families. The ASU is going to strongly support the upcoming strikes. All the indications of my news from Egypt show that the workers are ready to go for strikes. It is going to be a hot summer in Cairo this year.

The third element and most important to Sadat's opposition is the army. The young officers that Nasser brought in after the 1967 war (with Israel) are the major problem for Sadat. They hate Sadat and Marei. The minute that the strikes break out Sadat has to fly out of the country. He can not use the army, because the Generals and Lieutenants are not going to shoot their fathers and mothers, who have jobs in the factories. See, Nasser did something smart, he brought in officers from the low middle class.

They are the same officers that saved Egypt in the 1973 (war with Israel). That war was a set up, using your own terminology, if you wish. Sadat was ready to fall. The war was something that could give him the power to clean house. The young officers then saved the Egyptian army from destruction. Sadat did not even want to cross the (Suez) Canal. He is stupid but he knows that he can not rely on the army.

The other problem that Sadat has in his hands now is the middle class. We have estimated that the middle class is facing an inflation rate of 42 per cent. As for the IMF I have told them to save their airplane tickets for some other countries. Whether they (IMF officials) like it or not, the Egyptian industries are depending on the Soviets. If Sadat had the army behind him — there could be some hope to push the IMF's plan.

As for Dr. Fuad Sherif, he is a crazy person; you are a lucky man not to know him. He has a long history. Nasser almost threw him out of Egypt. No take him seriously — except the IMF.