characterization of Soviet anti-Semitism is "absolutely correct."

Israeli planners are also accommodating themselves to the momentum of the "New Yalta." If the 1980s Russian Empire is the force to be reckoned with, why not achieve for Israel the status of a "Greater Israel" satrapy, next to a "Greater Syria" satrapy.

-An Israeli military source, asked what the foundations of an Israeli-Soviet deal might be, responded by expressing contempt for U.S. diplomacy in the region:

"We foresee negotiations with Syria, under a Russian umbrella. It's the only way Syria will talk. [U.S. State Department envoys] Murphy, Habib, all these guys, the whole lot know quite well the situation: They go to Syria, and they wait in the corridor, for hours, for a meeting. And the meeting is not even with [Syrian President] Hafez Assad, but with some functionary. So, a Russian-mediated deal is quite tempting, if Moscow says, 'We can bring Assad to the peace table, for a settlement with him.' Only they can do it.

"The Palestine Liberation Organization would be forgotten. Neither the Russians nor the Syrians like the PLO, that is certain, that's been Russian policy ever since Andropov came in. . . . It will all be done without the Americans, although the problem of Jordan will be left to the Americans to handle."

According to Middle East insiders, that last statement means that Jordan is to be carved up, primarily between Israel and Syria.

State Department treachery

Not for a moment, should it be thought that the U.S. State Department has become the hopeless victim of hostile forces in the Middle East: The State Department has *conspired* to bring about the U.S. disengagement from the Middle East.

It is no accident that the Israeli-Soviet deal occurs concurrently with the confirmation of a new U.S. ambassador to Israel, Thomas Pickering. Pickering, former U.S. ambassador to Nigeria and El Salvador, had primary reponsibility for population issues and designed the Carter State Department's input into the *Global 2000 Report to the President*, a document frankly proposing global genocide by primarily economic means.

In Israel, Pickering is perceived as "the personal choice of George Shultz," in the words of one source. Shultz wants Pickering to implement the next stage of the State Department's economic "grand design" for Israel, which features fantastic levels of austerity, the dismantling of Israel's agroindustrial public sector, and the transformation of Israel into a casino, dope, and "services" economy. Shultz has assumed the role usually reserved for the International Monetary Fund: personal oversight of economic devastation. Pickering is his man on the scene.

This policy is the underlying force driving Israel into the arms of Moscow. And, should the policy not be overturned by the White House—not only Israel.

Egypt

Mubarak takes on the Islamic radicals

by a Cairo Insider

The decision by the Egyptian government to arrest some 46 leaders of the Islamic fundamentalist movement in mid-July came not a moment too soon. As the fundamentalist challenge to the Cairo authorities grew bolder by the day, many within Egypt and abroad doubted the ability of President Hosni Mubarak to respond. Finally, the government decided to show its teeth, and struck swiftly.

But intelligence analysts abroad have warned that the crucial period of confrontation will come before mid-August, the time of the Al Idhr celebration—the Feast of the Sacrifice—which comes two months after the fast of Ramadan, and opens the period of the annual pilgrimage to Mecca. Iranian President Ali Khamenei announced on July 18 that Ayatollah Khomeini had not been "satisfied" with previous pilgrimages, and wanted to make the upcoming one a more "political" event. Teheran appointed Hojatessalam Mehdi Kharroubi as commander-in-chief of this year's pilgrimage, the chairman of the Foundation of the Martyrs and an architect of the June 14 TWA hijacking. The infamous Iranian "Independent Brigade 110" has pledged to send 15,000 Revolutionary Guards to join the pilgrimage. The Brigade, headquartered in Lebanon, is the operational command of Iran's terrorist destabilization operations throughout the Middle East, and particularly in the Gulf.

Clearly, Khamenei's statement did not refer merely to fundamentalist disruption of the pilgrimage to Mecca, but to a terrorist upsurge throughout the Islamic world. And for Iran, which has just signed a treaty of strategic alliance with Egypt's arch-enemy, Libya, there is no doubt that Cairo is a more important target than Mecca.

The fundamentalist challenge

The fundamentalist movement has resurfaced, stronger than at any time since the days preceding the assassination of President Anwar al Sadat in October 1981. The very same persons who were arrested in the aftermath of that assassination, and later released for lack of evidence, are today's fundamentalist leaders.

Three interconnected factors have allowed for their reemergence over the last two years:

First are events outside of the direct control of the Egyptian government—the deepening international economic cri-

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sis and the murderous austerity conditions imposed upon Egypt by the International Monetary Fund and the World Bank. A timid attempt by the Cairo government in October 1984 to raise the prices of basic commodities provoked riots in the industrial suburb of Alexandria.

Second, Egypt's southern neighbor, Sudan, finding itself under similar pressures, decided in September 1983 to bow to the demands of the fundamentalists and institute Islamic Law, as a recipe for imposing the IMF's conditions on its own population. The move immediately strengthened the hardcore fundamentalists within Egypt.

Third, and very much related to Egypt's internal economic situation, was the entry into the Egyptian parliament in the spring of 1984 of opportunist political opponents of Mubarak, who, to gain more votes, allowed members of the fundamentalist Muslim Brotherhood to join their election slates.

Though a few may have nurtured the illusion that the presence in parliament of the legal Muslim Brotherhood could serve as a bulwark against more extreme fundamentalist groups, the events of the last year have proved the contrary, as the legal Brotherhood became a mouthpiece for the illegal and underground fanatics. Early this year, Brotherhood parliamentarian Sheikh Ismail began urging the immediate adoption of Islamic Law. Though he was ultimately disavowed by the Wafd party, on whose slate he had been elected, his statement served to underline that the real Islamic strength was not in the parliament, but in the dimly-lit streets of Cairo's Abbasiyya quarter, around Mosque Nur.

Each day of Ramadan this year saw seditious outbursts from the Mosque Nur's Imam, Sheikh Hafez Salama, who called for the immediate implementation of Islamic Law, campaigned for the abrogation of all women's rights, and hurled one provocation after another at the government authorities and at Egypt's large minority, the Christian Copts. Salama challenged the government to prevent him from holding a public rally against the presidential palace. Banned by the interior ministry, a Cairo court then allowed the rally to proceed, although Salama was forced to back down when security forces surrounded his several thousand followers. He then demanded that all motor vehicles display Islamic fundamentalist slogans, and motorists refusing to comply were attacked and threatened with death.

The government quickly realized that the very authority and legitimacy of the state was at stake, in a challenge modeled on Khomeini's revolution against the Shah, where he demonstrated step by step the inability of the Iranian regime to countermand his orders. But the Egyptian government retaliated, and the interior minister warned that anyone displaying such stickers would have his driver's licence revoked for a year; the cars were quickly cleaned up.

Salama's defeat showed that, despite the activation of the fanatics, the Egyptian population is not going to follow Khomeini's model—at least not now. The Egyptian authorities moved rapidly to isolate the fanatics, striking at their

three most important centers: Mosque Nur in Cairo, led by Salama and his aide, Sheikh Abdallal Samawy, a member of the Al Jihad (Holy War) underground terrorist organization who had been released from jail only a few months before; Mosque Al Mugahidun in Alexandria; and Mosque al Khalifa in the western oasis of Fayyoum, led by Sheikh Omar Abderahmane and his followers from the Holy Obligation, a cover name for Al Jihad.

The mosques were nationalized, given a state-appointed Imam, and most were closed down for repairs—with a budget of \$1.5 million allocated for the purpose.

Danger from within

Egypt's economic instability is fueling the rise of the fundamentalist movement, which is capitalizing on the policies of the local and international banks, which thrive on a black market which is stealing millions out of the coffers of the state. An attempt at curbing the power of this IMF-sponsored mafia ended in the resignation of the economics minister in March. Then, under the pretext of fighting "corruption," the international banks joined the so-called Islamic banks in a show of strength against the government, to impose the IMF's conditionalities. This is a catastrophic policy in a country which has \$25-35 billion in foreign debt and has already paid some \$500 million in debt service alone this year. The ratio of debt service to current earnings is reported to be as high as 40-45%. The country faces a decrease by almost 50% of the remittances of its workers abroad, due to layoffs in the Gulf; a decrease in its oil income; and the prospect of several hundred thousand Egyptian workers being expelled from Libya.

Though there is little chance for a Khomeini-type movement in Egypt, other scenarios are being promoted, such as the prospect that the activation of the fanatics may lead to growing power of the "legal" Muslim Brotherhood. That scenario is favored by many in the Army, where the Brotherhod finds considerable sympathy.

This pleases many within the office of Minister of Defense Marshal Abu Ghazalah—beginning with the minister himself. No one has forgotten that Abu Ghazalah, who sees himself as Egypt's military strongman, happened to be in a military unit of the Muslim Brotherhood of Hassan al Banna in 1948, during the first war against Israel; that fundamentalist groups have been sprouting up within the Army since he was appointed Chief of Staff and then defense minister; or that his wife wears the veil on public occasions, according to Islamic tradition. A display of Muslim piety might be touching, were other activities of Abu Ghazalah not also known. Abu Ghazalah was defense minister when Anwar Sadat was murdered, and was in a position to have known quite a bit about the events of that time. Ever since, he has been looking longingly at the post of vice-president. Mubarak wisely has refused to appoint him to a position which could one day make him an Islamic Military President.

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