

when Sadat ordered an immediate ceasefire... The original fighting was an attempt by Libya to obstruct Egypt's initiatives to successfully convene the Geneva conference... (Qaddafi acted) in a hope of favoring a Nasserite putsch inside the Egyptian military. Qaddafi counts on the internal troubles in the Egyptian situation... Observers say in fact that Qaddafi funds the extremist Muslim Brotherhood."

*Corriere della Sera, July 27:*

Sadat's victory... a blow against Soviet influence in the Mideast and Africa. Sadat will not be long in demanding his reward from Washington — his reward being that the

United States put pressure on Israel to accept the Palestinians at the Geneva negotiations. Algerian President Boumediene's "neutrality" during the whole affair in spite of his known "preference for Libya" is also portrayed as a victory for Sadat.

*Il Popolo, the official daily of the ruling Christian Democratic Party (DC), July 26:*

Attacks the Soviet Union as being the most responsible for the outbursts of conflicts between Libya and Egypt, as well as for the hot situation in Somalia, the Soviets are accused of being "imperialist and colonialist."

## Italian Diplomacy In Mideast

*Corriere della Sera* reported July 26 on Italian Minister Forlani's offer to act as mediator in the Egyptian-Libyan conflict. Journalist Dino Frescobaldi reports that Forlani communicated to the secretary general of the Arab League, Muhammed Riad, through the Italian ambassador to Cairo that he was fully willing to mediate. Forlani further ordered the Italian ambassadors in Cairo and Tripoli to keep in constant contact with Rome.

*Corriere* also reports Forlani sent solidarity messages to Algeria, Saudi Arabia, and Kuwait for their part in diplomatic moves to ensure the re-assertion of peace. Rome, *Corriere* correspondent Frescobaldi states, wants to keep the peace negotiations within the realm of inter-Arab circles. Italy, the Forlani message says, "wishes to express the concern of all Mediterranean countries interested in maintaining good relations among all countries in the area."

*Corriere* reprints in part the points of Forlani's com-

munique to Arab League secretary general Riad:

"1. Italy maintains that a new break in the Arab world (Egypt-Libya war) is most dangerous because it threatens the destabilization of other governments in the region which could turn into a confrontation between the Soviet Union and the United States.

"2. There exists an indirect link between the uprising of the Egypt-Libya conflict and the lack of prospects for a short-term solution to the Israeli-Arab conflicts.

"3. It is necessary to go to the root of the tension, that is, to solve the Arab-Israeli conflict, if one wishes to avoid the dangers of destabilization of the area..."

*Corriere della Sera* July 27 reports that Italian Communist Party Central Committee member Giancarlo Pajetta is heading up a PCI delegation to Libya. Accompanying Pajetta are Giovanni Berlinguer (brother of the secretary general of the PCI), who is the PCI's Central Committee member in charge of culture and Antonio Rubbi, the PCI Central Committee's vice-sector head for foreign affairs.

## Horn Of Africa Heats Up

Egyptian President Anwar Sadat's U.S.-ordered attack against Libya is already threatening to spill over into the Red Sea littoral, with potential danger spots currently centering on a U.S.-Sudanese sponsored onslaught against Ethiopia. The Egyptian government-controlled newspaper *Al Ahram* claimed July 27 that Libyan and Ethiopian envoys met before the "Libyan attacks" on Egypt for unspecified "coordination." Among his attacks against Libyan leader Qaddafi, Sadat issued a warning against Libyan "subversion" of the regime of Sadat's junior partner, Sudanese President Jaafar al-Numeiry.

Both Sadat and Numeiry are doing their best to further inflame the backward nationalist tensions in the region by pushing for the creation of an Arab zone of influence, or an "Arab Lake" on the Red Sea — a proposal designed to further isolate Christian Ethiopia and to draw pro-Socialist Somalia into Sadat's Arab nationalist anti-communist alliance.

At the same time, the U.S. State Department has launched direct provocation against the Soviet Union, with announcements this week that they are prepared to sell arms to Soviet ally Somalia, to the Sudan, whose

army is presently poised to strike on the Ethiopian border, and to Egypt.

The socialist bloc's response to the increased Carter Administration provocations came in a Radio Prague broadcast July 28 charging the U.S. with "stepping up their efforts against Ethiopia and drawing her neighbors into a dangerous game. This is especially the case with Sudan, acting on the orders of Saudi Arabia. ...Ethiopia is now under pressure, and the imperialists are giving full support to movements like the Ethiopian Democratic Union and the separatists in Eritrea and Ogaden. And the imperialists are inciting hate against Ethiopia among her neighbors. ...The progressive forces of Africa support Ethiopia in its struggle and the socialist countries stand on the side of Ethiopia in her fight to defend her revolution."

In addition, the Defense and Prime Ministers of the People's Democratic Republic of Yemen, across the Red Sea from Ethiopia, have made an unscheduled visit to Moscow, where they are meeting with Soviet Defense Minister Ustinov and the Chief of the Soviet Naval Staff Admiral Gorshkov.

The Ethiopian government has also officially

acknowledged the presence of Cuban and Soviet advisors in their country, helping to rearm and reorganize the Ethiopian army to defeat the numerous foreign-sponsored secessionist groupings threatening to dismember the country. This latter move is a clear signal to the Carter Administration that the Soviets have made a commitment to Ethiopia which they are not going to abandon.

Ethiopian head of state Mengistu is also making peace overtures to various of the secessionists. Speaking to the Lebanese newspaper *Al Horriya*, July 24, Mengistu reiterated his willingness to negotiate regional autonomy with the pro-socialist faction in the secessionist movement in the coastal province of Eritrea. He also offered regional autonomy to Ethiopia's various ethnic groups, within a federal Ethiopia. Mengistu expects the Soviet-aided reorganization of his army to restore his government to a position of strength vis-à-vis the guerrillas in Eritrea, who have now taken most of the province.

In southern Ethiopia, guerrillas of the Western Somali Liberation Front have made numerous attacks on Ethiopian positions in the last week, and both Ethiopia and Somalia have charged the other with border violations with regular troops. The Somali government

has also, however, disclaimed responsibility for the actions of the Liberation Front, leaving the door open for a rapprochement.

Far from backing Carter's reckless challenge to the Soviets on the Red Sea, European leaders are backing off in horror from the coming blowup. In response to reports that the British government was joining the rush to try and pull Somalia away from their close Soviet relations with arms deals, London's conservative *Daily Telegraph* today cautioned "Ethiopia will remain the largest community on the Horn of Africa. Whatever happens, it will continue to be of great importance, and it would be foolish to alienate them for a temporary advantage."

French President Giscard, whose foreign policy has been moving further and further from Carter's took pains today to soothe Ethiopia and the Soviets by emphasizing that the visit to France later this year by Somali President Mohammed Siad Barre was a "working visit," and not an official courting of Siad by Giscard. The West German Social Democratic newspaper *Vorwärts* today praised Giscard's Africa policy as "following in the footsteps of De Gaulle," whose Africa policy was noted for its independence from the U.S.

—Peter Buck

## Soviets Back OPEC To Expedite Break With Dollar

The Soviet Union has offered the Organization of Petroleum Exporting Countries (OPEC) closer cooperation on the economic and oil fronts as an alternative to going down with the bankrupt dollar system. A number of trade deals and articles in the Soviet press on Soviet-OPEC cooperation confirm that Moscow is proceeding with its efforts to win OPEC trade through new monetary arrangements — a perspective first enunciated through Kuwaiti and French press sources earlier this year.

The Soviet party paper, *Pravda*, in unusual statements published twice in the last two weeks, has praised the Shah of Iran for his independent course toward industrialization and for increasing the role the Soviets are playing in Iranian development. *Pravda* also urged OPEC this week to hasten its creation of an independent oil tanker fleet, a critical precondition to breaking with the multinational oil companies. Noteworthy in this pattern of closing OPEC-Soviet relations is a deal recently signed between Saudi Arabia and Moscow which will supply the officially anti-Communist Saudis with water drilling facilities.

The Soviets are urging the oil-rich nations to use their immense wealth in triangular deals with Europe and Japan for non-speculative investment in industrial and agricultural development of the Mideast. This throws powerful weight behind the anti-dollar factions in OPEC centered around Kuwait and Iraq, both of which have been working overtime to pry the Saudis away from further investment in the inflationary Eurodollar market and U.S. treasury paper. With an estimated \$17 billion of Saudi surplus invested in the U.S, most of which is in the Treasury or Wall Street banks, the Saudi Arabians face the immediate decision of going down with the threadbare dollar system or pulling out while there is still time.

The Saudi Arabian royal family has for months been divided over this very issue, with the most viable alternative being to back the Kuwaiti proposed regional currency, the gold-backed dinar. According to a source closely associated with the Saudi Arabian Monetary Agency (SAMA, the Saudi Central Bank), the royal family is showing signs of reaching a consensus in favor of the Kuwaiti proposal. The gold-backed dinar is strongly supported by both the European Economic Community and the Soviets and would directly interface with a European "golden snake" and the Soviet transfer ruble. The second part of a new currency system for the Arab world would be the enlargement of the just founded Arab Monetary Fund to serve as a vehicle for extending loans to both the developing Arab sector and the Third World. The stormy shift now occurring in Riyadh was fueled by the collapse of the dollar as well as by Israeli Prime Minister Menachem Begin's official approval of three Israeli settlements on the West Bank, a move the Saudis associate with Washington.

### *Rush For The OPEC Billions*

Under the pressure of the dollar crisis, the Rockefeller family has engaged in a drive to capture the billions of surplus petro-dollars by attempting to break up the OPEC cartel, through the good services of Senator Jacob Javits and Senator Frank Church. The Saudi Arabians have been the major target of such efforts. On Aug. 6, the International Monetary Fund will convene a meeting of contributors to the so-called Witteveen Fund which includes the wealthiest OECD countries plus the Saudis. Despite months of strongarming, in some cases by David and Nelson Rockefeller personally, the Saudis have not been forthcoming in making their multi-billion dollar