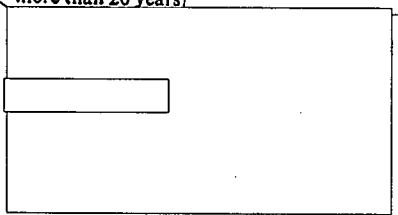


~~SECRET~~

cism of Prime Minister Salim's government for ineffectiveness and corruption. The measures have included the suppression of two political parties and their leaders; silencing of critical journalists and newspapers; disbanding of the Arab Socialist Union, an umbrella organization that had controlled political activity in Egypt since 1952; and the establishment of a new political party, which Sadat heads.

The new Prime Minister, Mustafa Khalil, is a US-educated, pro-Western economist and engineer who has been prominent in Egyptian political circles for more than 20 years



EGYPT

President Sadat named a new Prime Minister this week—the latest step in his continuing effort to reshape the Egyptian Government. Another major change was the dismissal of General Jamasi, as Minister of War and his probable removal from the team named to conduct negotiations with Israel in Washington next week.

Since May, Sadat, in an effort to mobilize popular support, has taken a number of measures in response to criti-

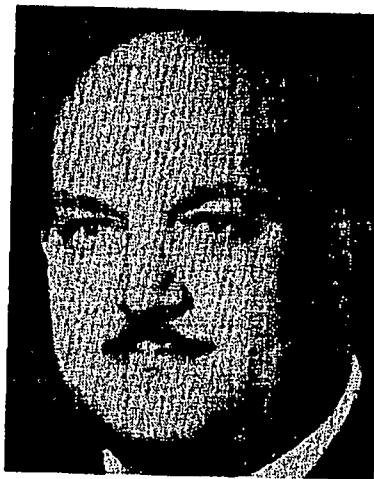
The new Cabinet has obviously been chosen to supervise Egypt's transition to a peacetime economy. Most members of the previous economic team—the Ministers of Economy and of Planning and Reconstruction—have remained in place. Several of the new appointments are engineers and economists who intend to concentrate on increasing production and improving services. In an effort to deflate unrealistic expectations of instant prosperity in the wake of peace, Prime Minister Khalil has warned that "the coming period needs work, sweat, and more work."

A new foreign minister has not been named to replace Muhammad Kamil, who resigned during negotiations at Camp David. Butrus Ghali, the previous Minister of State for Foreign Affairs, who has been deeply involved in the negotiations with Israel, will continue to act as Foreign Minister.

Jamasi has been replaced by Major General Kamal Hassan Ali, Egypt's intelligence chief; along with the personnel change, the military department will now be called the Ministry of Defense instead of the Ministry of War to highlight the transition to a new era. The reasons for Jamasi's dismissal are not clear, particu-



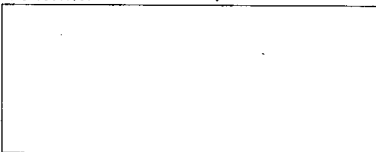
Prime Minister Khalil



Minister of Defense Ali

~~SECRET~~

larly since it is not known whether his new post of special adviser to the President for military affairs is meaningful or purely honorific.



Although Jamasi supported Sadat's peace initiative, he may well have had reservations about some of Sadat's other policies.

The new Defense Minister will presumably be the top Egyptian military representative at the peace negotiations with Israel next week. He will be an unknown quantity to the Israelis, who will not view him with the trust and respect they accorded Jamasi.

