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Near East & South Asia

JPRS-NEA-91-031

CONTENTS

3 June 1991

INTERNATIONAL AFFAIRS

| | |
|---|---|
| EC Voices Increased Interest in Peace Process | 1 |
| Influence Over Israel [<i>London AL-SHARQ AL-AWSAT 12 Apr</i>] | 1 |
| Joint Parliamentary Meeting [<i>London AL-SHARQ AL-AWSAT 12 Apr</i>] | 1 |
| Aerospatiale Offers To Build New Arabsat [<i>London AL-SHARQ AL-AWSAT 16 May</i>] | 2 |

NEAR EAST

REGIONAL AFFAIRS

| | |
|---|---|
| French Investment Focus on Maghreb Discussed [<i>Paris LE MONDE 23 Apr</i>] | 3 |
|---|---|

PALESTINIAN AFFAIRS

| | |
|--|---|
| Opposition Leader al-Fahum on 'Arafat, PNC [<i>Cairo AL-MUSAWWAR 19 Apr</i>] | 4 |
| Arab Press Reacts to Ethiopians in Israel [<i>MA'ARIV 27 May</i>] | 9 |

ALGERIA

| | |
|--|----|
| Returning Volunteers Complain of Iraqi Mistreatment [<i>London AL-MAJALLAH 16 May</i>] | 10 |
| FLN Official Discusses Elections, Opposition [<i>AL-SHA'B 4 Apr</i>] | 10 |
| PNSD Loses 328 Members to FLN [<i>AL-SHA'B 11 Apr</i>] | 11 |
| Parties Justify Call for Presidential Election [<i>ALGERIE-ACTUALITE 11 Apr</i>] | 12 |
| Commentary Examines FFS Electoral Strategy [<i>ALGERIE-ACTUALITE 18 Apr</i>] | 13 |
| Economist Predicts Failure of Economic Reform [<i>ALGERIE-ACTUALITE 11 Apr</i>] | 15 |
| Commentary Discusses Economic Reform Problems [<i>Paris JEUNE AFRIQUE ECONOMIE May</i>] | 17 |
| Columnist Sees French Linguistic 'Racism' [<i>Algiers AL-SHA'B 8 Apr</i>] | 17 |

EGYPT

| | |
|--|----|
| Soviets To Help Build Aluminum Project [<i>AL-AHRAM 9 Apr</i>] | 18 |
| Experts Identify Weaknesses in Economic Planning [<i>AL-WAFD 1 Apr</i>] | 19 |
| Green Party Calls for Study of Contemporary Problems [<i>AL-AHRAM AL-DUWALI 20 Apr</i>] | 20 |
| Suggestions Made for Effective Use of Public Funds [<i>AL-JUMHURIYAH 22 Mar</i>] | 20 |
| Free Market Status Assessed; Call for More Reform [<i>AKHIR SA'AH 17 Apr</i>] | 22 |
| Public Sector Prices Higher Than Private; Reactions [<i>AKHIR SA'AH 17 Apr</i>] | 24 |
| Five New Cities To Be Built [<i>London AL-SHARQ AL-AWSAT 27 Apr</i>] | 26 |
| Construction Company Reports Profit After 9-Year Loss [<i>London AL-SHARQ AL-AWSAT 7 Apr</i>] | 27 |
| Consultative Council Discusses Population Problem [<i>AL-AHRAM 5 Apr</i>] | 27 |

ISRAEL

| | |
|---|----|
| Peace Now: Government Disguises Investment in Settlements [<i>DAVAR 13 May</i>] | 28 |
| Defense Minister on Lessons of Gulf War [<i>HAYARDEN 12 Apr</i>] | 29 |
| Deputy Minister Porush on Politics, Economy [<i>HA'ARETZ 24 Apr</i>] | 30 |
| Soviet Consul Interviewed on Relations [<i>HA'ARETZ 2 Apr</i>] | 33 |
| Official Discusses Economic Cooperation With USSR [<i>AL HAMISHMAR 10 Apr</i>] | 35 |
| Academic Sees Kuwait Easing Arab Boycott on Israel [<i>MA'ARIV 30 Apr</i>] | 36 |
| Leader Interviewed on Settler Politics [<i>HADASHOT 23 Apr</i>] | 36 |
| Soviet Immigrants Turning to Religion [<i>HA'ARETZ 15 Apr</i>] | 39 |
| Ethiopian Immigrants Double in May [<i>MA'ARIV 27 May</i>] | 40 |

| | |
|--|----|
| 2,500 Muslims To Be Allowed To Go On Pilgrimage to Mecca [DAVAR 16 May] | 40 |
| Immigrant Absorption Plans for Negev [MA'ARIV 17 May] | 40 |
| Plan To Expand Jewish Population of Territories to 850,000 [QOL YISRA'EL 15 May] | 41 |
| Plans To Attract Muslim Tourism [MA'ARIV 26 Apr] | 41 |
| Thousands of Empty Houses in Territories 'Propaganda' [DAVAR 14 May] | 44 |
| Security Concerns, Water in Golan Discussed [HAYARDEN 12 Apr] | 45 |
| State Confiscating 'National Lands' [HA'ARETZ 4 Apr] | 45 |
| Special Forums To Probe Shin Bet Interrogation Methods [MA'ARIV 16 May] | 47 |
| Defense Publications Cutback Anticipated [YEDI'OT AHARONOT 26 Apr] | 48 |
| Future of Defense Industry Discussed [AL HAMISHMAR 10 Apr] | 48 |
| Popeye Advanced Air-To-Ground Missile Unveiled [THE JERUSALEM POST 13 May] | 52 |
| 'Finest' Officers' Departure Feared Due to Manpower Cuts [JERUSALEM POST 10 Apr] | 53 |
| Current Status of POWs Discussed | 53 |
| Defense Ministry Ready To Negotiate [YEDI'OT AHARONOT 28 May] | 53 |
| Past Negotiation With Hizballah Profiled [AL HAMISHMAR 28 May] | 53 |
| POST Urges Rejection of UN Role in Peace Talks [THE JERUSALEM POST 17 May] | 54 |
| Editorial Notes Ambiguity Following Baker Talks [MA'ARIV 17 May] | 54 |

MOROCCO

| | |
|--|----|
| Morocco Moves To Renew Relations With Iran [RISALAT AL-UMMAH 10 May] | 55 |
| Consulates Attempt To Spur Foreign Investment [Paris JEUNE AFRIQUE ECONOMIE May] ... | 55 |
| Human Rights Commission Chief Discusses Progress [AL-MITHAQ AL-WATANI 10 Apr] | 55 |
| Casablanca's Export, Industrial Economy Profiled [AL-'ALAM 2 Apr] | 61 |

SAUDI ARABIA

| | |
|---|----|
| Plan To Manufacture Helicopter Described [ARAB NEWS 15 Apr] | 62 |
|---|----|

SOUTH ASIA

BANGLADESH

| | |
|--|----|
| Papers Report Ershad Activities, Trial | 63 |
| Remarks to Newsmen [THE BANGLADESH OBSERVER 4 Apr] | 63 |
| Case Filed [BANGLADESH OBSERVER 15 Apr] | 64 |
| Overseas Wealth Unearthed [THE NEW NATION 15 Apr] | 65 |
| Moved to Dhaka Jail [THE NEW NATION 20 Apr] | 65 |
| U.S. 'Lobby' [THE NEW NATION 5 Apr] | 66 |

INDIA

| | |
|---|----|
| Punjab Talks Termed Illusory [JANSATTA 2 Feb] | 67 |
| Nonaligned Orientation Questioned [JANSATTA 4 Feb] | 68 |
| Benefits of Import Curbs Explained [THE TIMES OF INDIA 5 Apr] | 69 |

IRAN

| | |
|--|----|
| Khomeyni-Shahr Highway Construction Begins [ABRAR 14 Apr] | 70 |
| Adverse Effect of New Foreign Exchange Policy on Students [London KEYHAN 25 Apr] | 70 |
| Airline To Obtain Six Fokker Planes [London KEYHAN 25 Apr] | 71 |
| Production of Agricultural Goods Declining [London KEYHAN 25 Apr] | 71 |
| Prices Raised With Increase in Salaries [London KEYHAN 25 Apr] | 71 |
| Hours, Pay Reform for Civil Servants Approved [London KEYHAN 18 Apr] | 71 |
| Efforts To Turn Kish Into Duty-Free Port [London KEYHAN 2 May] | 74 |
| Drug Industry's Ownership Turned Over to Private Sector [London KEYHAN 2 May] | 74 |
| Milk Subsidies Discontinued, Prices Jump Fourfold [London KEYHAN 2 May] | 74 |

PAKISTAN

| | |
|---|----|
| U.S. Said Encouraging Indian Aggression [JASARAT 2 Feb] | 74 |
| Reasons Behind Strains in Relations With U.S. Examined [JASARAT 5 Feb] | 75 |
| U.S. Said Pressuring Other Countries To Cut-Off Aid [JANG 6 Feb] | 76 |
| Report Alleges Jewish Terrorists' Entering Country [NAWA-I-WAQT 15 Feb] | 77 |
| Aid Worth 50 Billion Said on the Way [NAWA-I-WAQT 7 Feb] | 77 |
| Editorial Expresses Distrust in Media [JASARAT 17 Feb] | 77 |

EC Voices Increased Interest in Peace Process

Influence Over Israel

91AA0356A *London AL-SHARQ AL-AWSAT in Arabic*
12 Apr 91 p 4

[Article by 'Abd-al-Hamid al-Yahiyawi: "EC Plans For Effective Political, Economic Cooperation in Middle East"]

[Text] Henrick Braun, speaker of the European Parliament, called for a prominent and more effective role in settling the Middle East dispute. In a special statement to AL-SHARQ AL-AWSAT, he said that the European Community's [EC] influence—as a community, not as individual nations—had been missing during the Gulf war, and it was now obligated to reclaim its international standing in the process to find a peaceful settlement in the Middle East.

For his part, Jacque Poos called for effective European participation in resolving the Middle East problems, without accepting a marginal role. He said: "We can neither conceive of, nor accept, the EC's absence from peace talks in the Middle East." He also demanded: "EC participation must be as an integral party in any conference held to settle the Arab-Israeli conflict." Speaking at a meeting of the Office of the European Parliament, he added: "The Office of the Luxembourg Prime Ministry has obtained from the recent Luxembourg summit, a green light to announce Europe's firm determination for total participation and presence in any security order in the Mediterranean region, and participation in any international conference to find a settlement for the Middle East.

"The EC has real economic weight on the international political scales, and is determined to use it."

A Luxembourg diplomat, accompanying Poos, told AL-SHARQ AL-AWSAT that the EC has the resources and resolve to enable it to enter the political settlement arena in the Middle East, "because the region interested us before anyone else, by virtue of its geographic and historic proximity, and the mutual influence in terms of strategic security."

A European political official, in the European Political Cooperation Council, emphasized to AL-SHARQ AL-AWSAT that the EC nations, in the wake of the Luxembourg summit, "were totally persuaded to assume the burdens of economic responsibility vis-a-vis the Arab region, which faces us south of the Mediterranean. More than at any other time in the past, there is a consensus to cooperate with the Arab countries, so that we can make amends for what has past."

In the same context, a European official said that the European Economic Community [EEC] has the capability to make an effective contribution to a settlement of the Arab-Israeli conflict. It has several pressure cards to play vis-a-vis Israel, that will make clear to the latter [the

necessity of] following the road to peace, and recognizing the right of the Palestinian people to establish their independent state. The European official stated clearly: "You know very well that 80 percent of Israel's agricultural exports, for example, are marketed in the 12 EC nations. In addition, we are a primary trading partner for Israel. Through these facts, and others, we can put powerful economic pressure on Israel, so that it will renounce its intransigent rejection of a just and lasting peace with the Palestinians." He went on to say: "The EC has excellent relations with the countries of the Arab Maghreb Federation, which carries moral and political weight in the Arab world. We support these countries, in order that they not be excluded from either a security cooperation system, or a political settlement, in the region."

Joint Parliamentary Meeting

91AA0356B *London AL-SHARQ AL-AWSAT in Arabic*
12 Apr 91 p 4

[Article by 'Abd-al-Hamid al-Yahiyawi: "EC Invites All Arab States to Joint Parliamentary Meeting on 13 June"]

[Excerpts] Within the context of European efforts, striving these days to ensure Europe's presence in a solution of the Middle East crisis, Claude Soisson, former French foreign minister, and a member of the Executive Office of the EEC in Brussels, revealed that the European Parliament has decided to invite representatives from the Arab nations to attend an Arab-European joint parliamentary session on 13 June 1991, in Strasbourg.

He stated: "I wish to emphasize that the European Parliament will invite all Arab nations without exception."

AL-SHARQ AL-AWSAT has learned from a high-level European political source that Claude Soisson's confirmation of this invitation for a joint meeting clearly reflects the heated atmosphere manifested in the expanded meeting of the European Parliament's office the day before yesterday, chaired by Parliament Speaker Henrick Braun, which reached the decision to invite representatives from all Arab nations, and also to set the date for the Arab-European session. This source added: "The speaker of the European Parliament led the ranks of those demanding the elimination of Iraqi representatives from the Arab delegation to this meeting. However, the Common Market (the majority) insisted on the attendance of all representatives of Arab League member nations." Parliamentary sources, belonging to Common Market countries, told AL-SHARQ AL-AWSAT: "We in the European Parliament do not want to make the same mistake made by Gianni De Michelis, who was the Italian foreign minister when he led his country in the EC, when he invited the foreign ministers of the Arab states, with the exception of Iraq, to a meeting with the

EC foreign ministers. The failure that resulted from that invitation, and its aftermath, damaged European diplomacy."

Another parliamentary source said: "The position of Parliament's leadership, demanding that Iraqi representatives not be allowed to take part in the Arab-European session, reflects the position of certain European political activists, who have begun to reject working with the Iraqi authorities in general. The current problem with Iraq is not confined to a problem with Saddam Husayn, as the recent European Council described it." [passage omitted]

Sources have told AL-SHARQ AL-AWSAT that the EC has become totally convinced that the American administration does not want Europe's participation as an integral party in international diplomatic efforts to reach a settlement of the Middle East disputes.

A western diplomat interpreted the recent visit of Roland Dumas to Tunisia and Libya, and his meeting with Chairman Yasir 'Arafat, despite the difficulty of the European position vis-a-vis the PLO, as all being the beginning of a widespread European initiative to put pressure on the United States and Israel, so that they will participate in any conference held to settle the Middle East crisis.

On the other hand, an Arab diplomat in Brussels stated: "The EC has officially asked the Cooperation Council nations to put pressure on the United States, so that it will accept EC participation in peace efforts in the Middle East."

Diplomatic sources in Brussels stated; "If EC efforts fail and, in fact, the EC is left out of decisions regarding

political arrangements in the Middle East region, and after exhausting every means, the EC will announce its rejection of the American proposal to hold the 'regional conference,' and will adhere solely to the idea of an international conference for peace in the Middle East, under UN auspices, which was cited in the EC's Venice statement."

Aerospatiale Offers To Build New Arabsat

*91P40267A London AL-SHARQ AL-AWSAT in Arabic
16 May 91 p 9*

[Text] AL-SHARQ AL-AWSAT has learned from well-informed sources in the European space industry that the French "Aerospatiale" organization, which builds Arab satellites, has tendered an offer to build third-generation satellites for Arabsat.

These sources said that the offer came after Arabsat had starting taking bids to build a new satellite before the end of the current satellites' working life.

However, Aerospatiale sources refused to give any information on the price they had offered, pointing out that this information would benefit their competitors. They said that the satellite project they had offered to build for Arabsat has several times more power than the current Arab satellites and is capable of using this power for telephone communications, or of using part of it for television transmission, reflecting a great increase in versatility.

These sources added that the proposed satellite is a second-generation European "Eutelsat, similar to the Turkish "Turksat" that was launched recently.

REGIONAL AFFAIRS

French Investment Focus on Maghreb Discussed

91AA0349A Paris LE MONDE in French
23 Apr 91 p 12

[Article by Eric Fottorino: "The Good Business of French-Maghreb Economic Cooperation"]

[Text] It will take more than a Gulf war to break the economic links forged between the Maghreb and France by history, geography, and the many quarrels followed by spectacular reconciliations. At the point of their strongest commitment to Saddam Husayn, Tunis, Algiers, and Rabat never forgot their almost Siamese relationship with southern Europe, and France is still their major customer and supplier.

Throughout the conflict, Paris made a point of confirming its financial support to the Maghreb, and Rue de Bercy stated very clearly that politics and business were completely separate. Pierre Beregovoy's cohorts are currently making a plea for stepping up trade and increasing investments. The director of DREE (Directorate of Foreign Economic Affairs), Jacques Desponts, stresses the need to put to work the tools of industrial cooperation, as he believes that: "Establishing operations in the region and transfers of technology are just as important as exports to the Maghreb." He even regrets that Italy and Germany have surpassed France in these areas.

At Quai d'Orsay, talk has begun: "Our interest in North Africa has been unfailing," the head of this region, Philippe Larieux, assured us. "It is essential to protect our relationship from temporary ups and downs." As for business leaders, they are pleased to note that during the troubled period that began on 2 August 1990, the Maghreb authorities made sure that French expatriates and property were safe. "None of our factories were set on fire. Tunisian President Ben Ali adopted special measures to protect us," Thierry Allix, secretary-general of the Maghreb committees in the CNPF [National Council of French Employers], reported.

Creating 600,000 Jobs a Year

Aside from the fatal attack on two French assistants at La Lyonnaise des eaux by a Moroccan employee in Casablanca, nothing has managed to diminish the spirit of cooperation on both sides. As an example, trade between Morocco and Tunisia and France increased by 30 percent in 1990.

For Paris, the Maghreb is of critical importance. From a strictly commercial standpoint, this zone brings France a trade surplus of the order of 7 billion francs a year, 4 billion of which come from trade with Algeria. Last year, it replaced the USSR as the number-one outlet of the hexagon outside the OECD. At the CNPF, Mr. Allix acknowledges that it is now in the Maghreb that they are finding businesses that can compete with certain Asian countries. The strength of the relationship between the

two sides of the Mediterranean also has to do with the fact that it is easy for French industries to move there (textiles, automobiles, agrofood industries). Not to mention the million and a half Maghrebians working between Lille and Marseille, or the 60,000 French people who have settled in North Africa.

As a counterpart to the industrial and commercial advantages, Paris intends to help the Maghreb meet two challenges, which are critical to both its development and probably its political stability. The first is to set up production units that will generate jobs. According to the International Labor Organization, 600,000 jobs a year must be created between now and the year 2000 to meet the increase in young people in North African countries. The second is to promote export industries capable of bringing in foreign exchange and offsetting foreign imbalances, including the debt. "The process has begun in Tunisia and Morocco. We are waiting for the local situation to become ripe for it in Algeria," Mr. Larieux explained.

Among the instruments used, partnership protocols designed to finance joint French-Maghreb enterprises are preferred by Quai d'Orsay, as they are at Rue de Bercy. Although the CNPF does not reject the principle, it is nonetheless cautious with regard to these direct investments. "How can you give jobs and purchasing power to the local people?" asks Mr. Allix. "The politicians say: 'Eureka! Let us develop an industrial partnership.' Psychologically, our PME [small and medium-sized businesses] are not very anxious to transfer know-how to countries that could kick the French people out in three years. Business leaders have to be told why they should invest in the Maghreb instead of in Turkey, Portugal, or Hungary."

Since 1987, however, Morocco and Tunisia have made great progress towards liberalization, offering foreign companies conditions regarded as "more or less satisfactory" by Mr. Allix. "But our companies are still skeptical," he regrets. "They do not seem to be well informed about the recent liberalization process."

The developments that have been taking place in Algeria are the least known. French businessmen have the worst memories of the period running from 1984-88, marked by disputes over the gas agreement: bureaucratic annoyances, impossibility of transferring profits, arrears in the payment schedules for Bouygues, Fougerolles, SAE [expansion not given], or the major, modern construction projects involving housing, railroads, and airport runways. Partly guaranteed by COFACE [French Foreign Trade Insurance Company], all of these broken contracts took on a political aspect, until the "realistic arrangement" made in January 1989 between Gaz de France and the Algerian company SONATRACH [National Company for the Transport and Marketing of Hydrocarbons] on the gas extraction price to be paid by France. Since then, Algeria has showed many signs of openness and good will, which have unfortunately been eclipsed by the Gulf war. The money and credit law

passed in June 1990 was accompanied by an investment code without restrictions on foreign companies that want to establish operations in Algeria. French firms can now establish facilities there without having the host country share their capital and they may fully repatriate their earnings.

The project for the partial convertibility of the dinar has strengthened the desire to put an end to the meddlesome, centralized economy where the administration exerts a total and paralyzing control.

"We Have Lost Our Foothold in Algeria"

Aside from a few remaining disputes, specifically with certain French banks, Algeria is in quarantine while awaiting the outcome of the legislative elections scheduled for June. "We are wasting time," Mr. Allix regrets. "The partnership will be for the medium term. But we have noticed that things are changing in Algeria. Professional and consular organizations are being established. We must immediately begin looking for the right partners in this country. We have lost our foothold in Algeria. There is a business sector that we are no longer up on." The new legal framework is in place. It just needs to be implemented. In January 1989, France granted 7 billion francs worth of assistance to Algiers, including 4 billion in aid (half of which was used in 1989 and half in 1990) and 3 billion in credits.

At the same time partnership initiatives were taken by Rhone-Poulenc, Bull, Total, and others. But trade between France and Algeria went from a peak of 48.3 billion francs in 1984 down to 21 billion francs last year. A number of French subcontractors and PME's offered to add their names to the Algerian protocol, provided the situation is clarified and they could receive more complete information.

The partnership with Tunisia continues to develop smoothly. But French operators were recently left out of some major contracts, such as the enlargement of the Bizerte refinery, construction of the light subway in the capital, or expansion of the telephone network, while the Italians have increased their presence. The primary lender to Tunisia (with aid amounting to 1 billion francs in 1989-90), France hopes that economic cooperation efforts will be stepped up shortly.

Since 1989, Morocco has been the Maghreb country where France has invested the most. Moreover, France has bought nearly 57 percent of its exports of consumer goods. It was also in Rabat in 1983 that President Mitterrand inaugurated the western Mediterranean cooperation process, that was further developed in October 1990 in Rome at the first meeting of foreign ministers of that region. In two years, the Kingdom of Morocco has in turn moved towards liberalism, and Hassan II has asked his prime minister to work on simplifying the bureaucratic procedures applicable to companies that want to establish operations in Morocco.

Alcatel signed a contract for nearly 1 billion francs at the end of 1989 to modernize and develop the telecommunications network.

Today Rabat wants to create an industrial park open to all businesses. About ten partnership projects have been counted since a new French-Moroccan protocol was signed last month. Peugeot is planning to establish an operation in Morocco as early as June. However, it is to be deplored that a modest program of CEPIA (French Center for Industrial Promotion in Africa) valued at 600,000 francs was cancelled. This is an incident along the way that worries Mr. Allix. "In France we lack a structure that puts professional networks in touch with the Maghreb countries. No government authority is in charge of the partnership. This is not the sole responsibility of the CNPF, because there must also be a political desire to develop operations with North African companies." According to him, the fact that the French structure is weak can only encourage a dispersion of efforts.

The idea mentioned once of establishing a Maghreb development bank has also been abandoned in favor of a financial club confined to serving as a think tank and headed by Jacques Huntzinger, the person at Quai d'Orsay in charge of Mediterranean cooperation. The future policy will probably consist of expanding operations managed under existing mechanisms in the European Investment Bank, namely guaranteed and venture capital loans. A measure that would increase Algeria's debt would certainly not be well received. The debt absorbs 78 percent of the country's foreign currency receipts, and it is already very expensive to finance it because of its private structure and the fact that the due dates are close together. But, according to Mr. Allix: "Tunisia and Morocco do not have financing problems; there is a lot of money there. Their problems lie elsewhere: the feasibility and the size of projects, as well as the qualifications of the partners, must be evaluated."

This is another reason why the windows to a dialogue should be open wide. If the Maghreb and France want to remain good friends, good business cannot hurt.

PALESTINIAN AFFAIRS

Opposition Leader al-Fahum on 'Arafat, PNC

*91AE0367A Cairo AL-MUSAWWAR in Arabic
19 Apr 91 pp 20-21, 55*

[Interview with former chairman of the Palestinian National Council Khalid al-Fahum, by Sana' al-Sa'id: "A Palestinian National Council Must Be Formed To Elect Other Leaders;" first two paragraphs are AL-MUSAWWAR introduction; Damascus; place and date not given]

[Text] Khalid al-Fahum is a prominent Palestinian personality, and former chairman of the Palestinian National Council [PNC]. AL-MUSAWWAR met with him at his headquarters in Damascus, and discussed the

various subjects that events today are imposing, following the Gulf crisis. 'Arafat—in his view—has hurt the Palestinian issue, and the intifadah, and has weakened the PLO. The PLO must arise from its fall, by achieving full national unity of all its forces and factions. Al-Fahum calls for a new national council to comprise all factions of the resistance movement without exception, and to carry out its mission of electing new leaders for the PLO. The alternative to 'Arafat is available, but al-Fahum prefers collective leadership to an individual leader. He discusses the United States and the solution to the issue, stressing that America will not move forward to propose urgent solutions for the issue. The reason is the coming elections. Al-Fahum believes that the entire matter will be put off until 1994. He rejects bilateral solutions, and presses for a comprehensive solution through an international conference, attended by the parties concerned, including the PLO.

Israel, through its hardline intransigence, carries the responsibility for the occupied Arab territories. Al-Fahum believes that Israel is the sole obstacle to the peace process. He emphasizes that if it persists in its arrogance, the Palestinians have no recourse but to plunge into armed conflict. He rejects autonomy, and Israel's plan of May 1989. He rejects forming a Jordanian-Palestinian delegation, but he would welcome a joint Arab delegation. He thinks that the American-Palestinian dialogue could resume, if there were new blood in the PLO, in its institutions, executive leadership, national council, offices, and bureaus. Then, America would be ready for dialogue with the new elements.

[Al-Sa'id] What is the PLO's situation at the present time, particularly since Israel has tried to push it far away from any political process and, so far, has succeeded in that, with the aid of the United States and Western Europe?

[Al-Fahum] It is true that the PLO—these days—is not in the best of shape. There are two basic reasons for that. The first is the lack of true national unity, because many of the resistance movement factions are outside the PLO's leadership institutions. By this I mean the Executive Committee and the PNC. On the contrary, the lack of true national unity has weakened the PLO considerably. The second reason has complicated the situation, namely the Gulf War, and Yasir 'Arafat's support, along with certain other Palestinian leaders and factions, for Saddam Husayn and his invasion of Kuwait. We condemned this invasion from the start, and emphasized that it would damage the Palestinian issue. It has damaged it a great deal. It has damaged the intifadah, and has weakened the PLO, or rather, it has increased its weakness. Therefore, I don't envy the PLO's present position, and I hope that it will arise from its fall, and make up for its defects by achieving total national unity, in which all forces may join, including the Islamic movements, by which I mean Hamas, and the Islamic Jihad.

A New Council

[Al-Sa'id] How can it rise from its fall? Will it be very easy to find alternative leadership to 'Arafat, as some suggest, or will we enter into a labyrinth in search of leadership?

[Al-Fahum] We are a democratic institution—all the Palestinian people are in the PLO, and there is an opposition and a leadership. I say a new national council must be formed, because the present council ended its term in 1985. It has been exercising its powers now as a council for an extra six years, in violation of its legal limit. This is incompatible with the basic system. Therefore, a new national council must be formed to carry out its mission to elect new leaders. With regard to the obligatory condition that I see in forming the new council, it would be that all factions of the resistance movement—without exception—must be included. In this difficult stage, a stage of Arab weakness because of many factors, including Iraq's departure from the Arab ranks, and its weakness, we need Palestinian national unity. This must include Palestinian national unity within the PLO.

[Al-Sa'id] But, will it be very easy to find a person of leadership ability opposed to 'Arafat, so that he can lead the PLO, especially since some doubt the possibility of finding an alternative to 'Arafat, as someone representing moderation?

[Al-Fahum] In fact, changing 'Arafat is the job of the new national council. It is the one to decide whether he stays or goes. What the majority wants and waits for is for democracy to prevail. That is the best way to operate in political institutions. With regard to the possibility of an alternative to 'Arafat being available, the Palestinian people number five million and, for their part, include more than one alternative to 'Arafat. However, the alternative that is preferable here is collective leadership, that is, no single leader, but collective leadership.

[Al-Sa'id] This means that you are talking about whether the PLO can unite all factions under one flag. I would like to ask whether it is possible to achieve true unification, given the factions' dissimilarities and ideological differences?

[Al-Fahum] I would like to emphasize again that the PLO is democratic, and pluralism is necessary. In Egypt now, you have pluralism. In Syria, they apply it. In most countries of the world, they adopt and endorse pluralism. Even Saddam Husayn, in his recent speech, said that he would apply pluralism. Pluralism and democracy are needed. This does not mean amalgamation of the resistance movement factions. That would be difficult, especially since there are Islamic, leftist and middle-of-the-road factions. Therefore, true unification would be difficult. However, we must work together within a framework of collective leadership; the majority issues the decision, and the minority respects it. This is very easily achieved, and would be best for the Palestinian issue, especially since I believe that it will take a long

time to resolve our issue. The struggle continues, and the antagonism between Zionism and the Arab nation is fundamental and deep.

The Alternative

[Al-Sa'id] When the eight Arab coalition countries met with you recently, it was said that there was a semiagreement to have recourse to Khalid al-Fahum as an alternative to 'Arafat with regard to PLO leadership.

[Al-Fahum] My meeting with the Gulf brothers, specifically with Saudi Foreign Minister Prince Sa'ud al-Faysal and Kuwaiti Foreign Minister Shaykh Sabah al-Ahmad al-Jabir, was specifically for the purpose of discussing the treatment of Palestinians in the Gulf and Kuwait. There were rumors concerning mistreatment of Palestinians in Kuwait, and the Palestinian people are people who suffer. Their land is not in their hands, because it is occupied. Therefore, they do not have the opportunity to work in Arab countries [as published]. There is stagnation. We met with the foreign ministers, so that they would improve the treatment of Palestinians. We told them that even if 'Arafat was wrong and he was the cause of aversion between the Gulf and the PLO, all Palestinians are not Yasir 'Arafat. There are Palestinians in the PLO who stood by Kuwait. Therefore, the Palestinians should not be punished for offenses against them. This is the basic cause. As for those who are candidates for PLO leadership, that is a matter to be left to the PNC. A man does not nominate himself, but it is the PNC's right to nominate whom it wishes, and to select whom it wishes.

[Al-Sa'id] Would it be possible for Khalid al-Fahum to undertake a mission of mediation between 'Arafat and the Arab countries that have taken a wary position vis-a-vis his actions?

[Al-Fahum] We want good relations between the PLO and all Arab nations. Our charter stipulates that the PLO's relationship with the Arab nations must be good. The PLO must not enter into one axis against another. Regrettably, 'Arafat joined with Iraq, and I do not understand why. 'Arafat has damaged the Palestinian issue. He has damaged the intifadah, and he has done bodily injury to the Palestinian people.

[Al-Sa'id] Perhaps the feeling of frustration is what caused that, especially after the America-Palestinian dialogue bogged down, and after the stagnation of efforts to move the issue along. Perhaps all of this induced 'Arafat to adopt that position?

[Al-Fahum] Frustration was not the cause, but it is our interpretation of the concessions that 'Arafat is now offering. Bassam Abu Sherif—even though they later denied his statement—began by declaring his readiness to abandon parts of the West Bank and Gaza. Whereas the West Bank represents only 16 percent of the area of Palestine, that is, less than one sixth of Palestinian soil, it would mean nothing at all to abandon it. The West Bank and Gaza are insignificant to Palestinians. [presumably sarcasm]

Later, we saw 'Arafat—shamefacedly—saying that he was prepared for a dialogue with Israel under UN supervision, i.e., a bilateral solution. A bilateral solution is unacceptable, because Israel would deal with us singlehandedly, and we would have no one to support us or aid us. Our image in the Arab nations would become very poor, and we would not get anywhere with Israel, because it is stronger than we are. Therefore, 'Arafat is not frustrated but, so far, I do not understand the choice of aligning with Saddam Husayn. A great many Palestinians were convinced that his choice was correct. He told them the Saddam Husayn would triumph over America, which would only remain firm for two or three months, and then public opinion in America would rise as one man against Bush, who would be forced to withdraw his troops. 'Arafat also made the Palestinians in the occupied territories believe that Saddam Husayn would destroy Israel, or would restore the Palestinian people's legitimate rights: their right to return, self-determination, and their right to an independent state. Most of the simple people followed 'Arafat. They said that 'Arafat was very close to Saddam Husayn, and that he knows what we don't know. They believed him, and this led to their aligning with Saddam Husayn, which has hurt them, as I said before.

[Al-Sa'id] After the liberation of Kuwait, and Baker's trip to the region, what became clear to you regarding the rules of the America political game? Is it international law or military force?

[Al-Fahum] A little of both. In the Gulf, America adopted a program of military force, but after obtaining 12 resolutions from the Security Council, numbers 660 and up, it applied law, in addition to the military idea. This was considerably better than using military force alone, as it has done with some dictators, or as Saddam Husayn did with Kuwait. If Kuwait had been a large and powerful country, Saddam Husayn would have hesitated to invade it. But, because it was weak, he invaded without a thought for international law.

[Al-Sa'id] But, what about the Palestinian issue now? Do you see the United States trying to apply international law with regard to this issue?

[Al-Fahum] In fact, there is an American whisper, not a loud call but a whisper, with regard to applying international law to the Palestinian issue. International law is clear; it is to apply Security Council and UN resolutions, and for Israel to withdraw from occupied Arab territories. America supports and goes along with Israel to a considerable degree. The reason is the existence of the Zionist lobby in the United States. Therefore, I say that the United States will not put forth any proposal for urgent solutions vis-a-vis the Palestinian issue, because of the coming elections in 1992. In election years, American politicians are preoccupied with elections, and are more than a little preoccupied with domestic issues. They pay more attention to domestic issues than to foreign issues. Accordingly, bringing up the issue of Palestine, and finding a solution for it, will be put

off—in my view—until after the American elections and their repercussions, that is, until 1994. It is no wonder that the greatest danger here is that Israel continues to bring in Soviet Jewish immigrants especially for the purpose of settlement. Last year, they settled 600,000 Jews, and Israel plans to bring in the same number this year. They are occupying Palestinian space. They will take over the West Bank and Gaza, and displace Palestinians. Here lies the great danger that came about as a result of the slowness of American policy.

However, American policy now is better than what it was before. At least, it perceives that the Arabs are not all against America, and that the Arab nations are not all backward. There are reasonable, advanced, and developed Arab nations that stood up for right with regard to Iraq's invasion of Kuwait, condemned the invasion, and supported Kuwait.

Bush Tries

[Al-Sa'id] However, according to the theory that is surfacing now in discussions of Arab-American relations, it is clear that the gains from the Gulf operation go to America, and that there is no longer any profit in the Palestinian issue. On the contrary, the Palestinian case is without support. What is being said now is not what Bush promised during the Gulf War, when he promised to find a solution for the issue, as soon as the liberation of Kuwait was concluded.

[Al-Fahum] Bush is trying, but Bush is not the entire United States. There are centers of power, and a Zionist lobby. Bush is in a year of elections, and he will be a candidate. If he were not a candidate, he would act stronger, but in view of the fact that he will be a candidate again, he needs Zionist lobby votes. In election years, they do not deal with foreign issues, but give all their time to domestic issues.

[Al-Sa'id] America endorses Israel's point of view, which is to work on two axes. The first is the Arab-Israeli conflict, and the need to build bridges of trust between Arabs and Israelis. This is the axis that would subsequently lead to the second axis, the Arab-Palestinian conflict [as published] What do you think?

[Al-Fahum] From the beginning, we have proposed that the solution in the region must be a comprehensive solution, and not bilateral solutions. Therefore, we were against Camp David, because we consider it a bilateral solution. Now, I am happy to say, Egypt and Syria are for a comprehensive solution. I also hear American voices calling for a comprehensive solution. The thesis of two axes is erroneous in my view, because the Palestinian issue is the issue of the Arab community. Otherwise, Egypt would not have offered up thousands of sacrifices on behalf of the Palestinian issue, because it is the issue of all Arabs. Palestinians are a part of the Arab community. Therefore, the struggle has only one axis. It is Arab-Zionist, or Arab-Israeli; there is no independent Palestinian-Israeli conflict, because we are Arabs, and a part of this Arab community.

[Al-Sa'id] Does this mean you demand a comprehensive solution?

[Al-Fahum] We want to end this conflict, but in order to bring peace and stability to the Middle East, there must be a comprehensive and just solution. [Al-Sa'id] What is the way to achieve that, especially since some say that the idea of an international conference could be abandoned, on the basis that there is no legal position in the issue, to which we could adhere. Is there another way, if holding an international conference is impossible?

[Al-Fahum] The best formula so far is still the international conference, because all parties, including the PLO, claim to consider the PLO as the sole, legal representative of the Palestinian people. Nearly all Arab nations, including Syria, Saudi Arabia, and the Gulf states, have told us that they will not represent the Palestinian people at an international conference. Everyone insists on the Palestinian people and the PLO being present. Therefore, the international conference remains the best formula. Under its auspices, the participating Arabs could send delegations, or a single delegation, in which the PLO would participate, to discuss the Middle East issues and implement UN resolutions. Accordingly, I prefer the international conference. As for who would supervise it, the five permanent Security Council members, or the two super powers, that is a secondary matter in my view, which can be easily resolved. We are prepared and ready for an international conference, during which the issue can be settled. As for the sole obstacle, it is Israel with its intransigent and hardline attitude.

Israel's Proposals

[Al-Sa'id] Israel has proposed the possibility of applying autonomy to the Palestinian issue, and then holding negotiations for a permanent solution. What is your view?

[Al-Fahum] Autonomy is rejected, because it does not mean Israel's withdrawal from the occupied Arab territories, in accordance with Security Council and UN resolutions. Moreover, Israel continues to bring in immigrants, and the term of the proposed autonomy is three to five years, which would mean that in a period of five years, a large number of immigrants will have arrived. There would be no way to get them out, and no room for the Palestinians to remain in the occupied territories, without work or anything. Therefore, we are against autonomy and, certainly, it would not lead to an independent state, as we desire. We want an independent state, so that we will have an identity. Man cannot live forever without an identity; it is very difficult. Thus, we want our identity, and we want an independent state. We don't want to fight against anyone, in order to preserve our identity. Autonomy would erase this identity, and would result more and more in making the Palestinians homeless.

[Al-Sa'id] Does this mean that you reject the Israeli plan of May 1989?

[Al-Fahum] Of course, we emphatically reject it.

[Al-Sa'id] Can Israeli-Palestinian negotiations be conducted solely under the Jordanian umbrella?

[Al-Fahum] I reject the bilateral solution. It is proof of weakness, collapse, and surrender. The Jordanian-umbrella idea is limited, in as much as it is based on a bilateral solution. It will not get anything, whereas with the comprehensive solution, the Palestinian situation is stronger, because all Arabs would be with us. Therefore, I am against only a Jordanian-Palestinian delegation, because it is a bilateral solution. The Palestinians are capable of representing themselves through the PLO. If we choose to be in a single Arab delegation, this would be better, because Syria, Egypt, Jordan, and the Palestinians would be in one delegation for the negotiations. Accordingly, they would be stronger, and their words would carry more weight.

[Al-Sa'id] What about the possibility of establishing a state on the West Bank after disarmament, and establishing a multiparty force to protect Israel's security? This was expressed as one of the proposals.

[Al-Fahum] What we want is an independent state. With regard to the presence of forces from the UN or international forces to protect Israel, I say that we are the ones who need protection, not Israel. As for being disarmed, that would be up to the residents of this state to decide its nature, either armed or disarmed. However, I am convinced that every Palestinian would want weapons, but would not want to attack or destroy anyone.

The PLO

[Al-Sa'id] Amid existing possibilities, could negotiations be held without the PLO? Would it be possible for the PLO to be replaced by other representatives?

[Al-Fahum] There is an erroneous idea with regard to the nature of the PLO. Some might not be aware that every Palestinian, whoever and wherever he might be, is a PLO member. The PLO is our being; it is our state away from our homeland. Every Palestinian is a member, but not every Palestinian is a leader in the PLO, or agrees completely with the leadership. Just as in any state, there is government and opposition, or government and opponents of that government, in the PLO. Any Palestinian can represent the Palestinian people, but his selection should be by the PLO.

[Al-Sa'id] Would it be possible to establish a state that is not led by the PLO?

[Al-Fahum] After the state is established, there will be no need for the PLO. The state will be responsible for the Palestinians, for their politics, living conditions, health, and educational affairs, for everything. After the state is established, the PLO is unnecessary.

[Al-Sa'id] When Israeli officials were asked: "What about you fighting for lands that ought to be returned to their owners? Are you not fighting a losing battle?" They

replied that the Palestinians were the ones fighting a losing battle, not Israel. What is your opinion, inasmuch as Israel has so far hung on to the occupied Arab territories?

[Al-Fahum] Shamir has recently made statements in the Knesset, to the effect that Israel will hold on to Golan and the West Bank. Israel is hanging on to Arab Palestinian territory. We know that, and we know the Zionist nature. It is an expansionist movement, which wants to expand at the Arabs' expense. Therefore, we must continue the struggle. We want a just peace. If Israel persists in its intransigence, and its adherence to the occupied territories, then we have no choice but to plunge into the struggle, stage by stage. Sometimes, we might fail, and other times we might succeed, but the struggle will continue, as it has since 1948, without ever stopping.

[Al-Sa'id] The French president recently stated that he urged Israel to seize the opportunity of reaching a settlement, either through a public referendum, or through negotiations with the Palestinians. What do you think?

[Al-Fahum] France is closer to an understanding of the Palestinian issue than many European—and sometimes Asian—nations. Therefore, President Mitterrand's position is excellent. Except that, achieving Palestinian national rights does not require a bilateral solution, but rather, a comprehensive solution. I must ask, why a referendum? Every Palestinian wants an independent state, and every Israeli does not want to give up territory. I don't understand the reason for a referendum. On the contrary, any referendum would be useless. Therefore, there must be an international conference. It is the best solution, because the five permanent members, and all concerned parties, would be present. I hope the Arabs will have a single delegation.

International Conference

[Al-Sa'id] The international conference would need good preparation, so as not to fail, as America says, with other Arab states sharing in that. I would like to ask, what is the timeframe required to make it possible to convene the conference?

[Al-Fahum] First, an international conference is nothing new. A similar conference was held in Geneva in 1974, following the October War, and from 1974 until now, the Arabs and the enemy have been talking about an international conference. Therefore, studies have been prepared and exist. This is no problem. I agree with Jordanian Crown Prince Hasan's recent statement that there is only six months to find a settlement, or else the settlement will be lost. For my part, I say that we have an opportunity up to the end of this year. Up until that date, there will be a possibility of settlement. As for next year, the matter will be different. The United States will be preoccupied, and will not give a great deal of time to the Palestinian issue.

[Al-Sa'id] Moreover, the time factor itself will lead to the introduction of complicating factors, which could prevent a solution.

[Al-Fahum] Without a doubt. Palestinians will grow increasingly frustrated, and insistent on resistance, and on armed struggle. Extremist elements in the PLO might be strengthened. It is true that we don't want that, but the nature of things will definitely lead to that, unless there is an Israeli withdrawal from the West Bank, and unless there is an international conference, as I said.

Political Course

[Al-Sa'id] What is the political or equivalent course that America will try in the region, through its feeble dealings with regard to the Palestinian issue? Or rather, while Baker recently stressed that the dialogue with the PLO was over, we find that the American administration agrees with many of Israel's viewpoints, including its 1989 initiative. Don't you think that this constitutes a big barrier between the PLO and the United States?

[Al-Fahum] First, I don't think that there is a barrier to that extent. Last month, Baker was in the West Bank and met in Jerusalem with 10 Palestinians. They emphasized to him that they were PLO. Therefore, he is willing, because he meets with the PLO. His anger was directed at PLO leadership. However, Baker talks one way in Israel, while speaking a different language in Syria. This is in fact a mistake, because the United States is a great power and must have a single policy. It must not pursue more than one line at one time. We want a major role for America, and we believe that—in fact—it is possible for America to play a major role, if it is unbiased toward both sides.

[Al-Sa'id] I would like to ask, how can the America-Palestinian dialogue be resumed?

[Al-Fahum] First, there must be a new national council to inject new blood into the PLO, into its institutions, executive leadership, national council, offices and bureaus. There must be new blood to go along with the situation prevailing after the Gulf War, which is definitely different than that which prevailed before the war. There are convulsions and major change. The Gulf War has had an impact on the Arab states, with no lesser a degree than the 1967 War and the 1948 debacle. Consequently, there must be new blood. When the PLO gets new blood, I believe that, at that time, the United States will be ready for dialogue with the new elements.

[Al-Sa'id] As opposed to that, what is your present evaluation of relations with the Soviet Union, given the consecutive waves of Jewish emigrants to Israel?

[Al-Fahum] There is no doubt that the emigration is a stark danger to Palestinians, inasmuch as they are threatened with being ousted from their lands. Israel's expansion at the expense of Arab territory is certain. The Soviet Union is a friendly power, not hostile. Moreover, it also has its circumstances. We don't want to interfere

in its domestic affairs, but we can say that the liberal trends there constitute a danger for the Soviet Union itself, and for the Palestinian issue, since those trends are considered closer to Israel, and serve its goals and ambitions.

[Al-Sa'id] What is the extent of coordination between you and Syria vis-a-vis Lebanon, in terms of stabilizing Lebanon's leadership, and achieving protection for the Palestinians at the same time?

[Al-Fahum] From my perspective, that is, myself and the Palestine National Salvation Front, we coordinate with Syria constantly. This is a standing matter, not confined to the present time only, but rather, it has continued since 1964, i.e., since the founding of the PLO. We know that Syria does not want any harm to come to Palestinians in Lebanon. On the contrary, Syria wants to protect and safeguard them. What goes for the Lebanese goes for the Palestinians. Therefore, they look to us from the aspect of living conditions, totally as do the Lebanese. Accordingly, from the aspect of weapons and disarmament, what goes for the Lebanese, must also go for us as well.

[Al-Sa'id] Does this mean that disarmament must include you?

[Al-Fahum] Yes, of course. What is true for the Lebanese militias is true for the Palestinians.

[Al-Sa'id] Syria made a noble gesture recently, by releasing hundreds of Palestinian detainees. I would like to ask whether it is possible that this step will be followed by the release of others, who are reckoned to be in the thousands?

[Al-Fahum] The statement that thousands of Palestinians are interned in Syria is incorrect. Perhaps our brother, "Abu 'Ammar," may God forgive him, constantly exaggerates matters. I can tell you that all detainees in Syria have been released. They totaled 800 persons. As for those who have not been released, they are accused of crimes and have been sentenced. They will not be released, of course, until these sentences have been concluded. I would say again that all Palestinian detainees in Syria have been released, and none remain in prison, except those accused and sentenced for crimes, such as carrying arms or explosives to others.

Arab Press Reacts to Ethiopians in Israel

TA2751729 Tel Aviv MA'ARIV in Hebrew 27 May 91 p 8

[Article by Shefi Gabai]

[Text] The reactions to "Operation Solomon" in Arab countries have been expressed in the placing of blame, primarily, on the United States—that worked with the collapsing regime in Ethiopia toward the release of the Falashah, who "adopted the Jewish faith." The Arabs

claim that this American diplomacy was intended to serve the settlement plan in the territories.

Syrian newspapers emphasized that the flight of 15,000 Jews from Ethiopia to Israel is a new danger to the Arabs, a challenge that must be combatted. The daily of the ruling party, AL-BA'TH, establishes that, despite the promises of Washington to the Arabs—that the immigrants would not be settled in the territories—the Arabs believe that such a large number of Jews from Ethiopia now helps Israel realize dreams of its expansion on Arab lands.

Egyptian newspapers also believe that the Ethiopian Jews were brought to Israel in order to settle the land of Palestinians. "We are concerned about this immigration, which is liable to sabotage current peace efforts," claimed AL-AKHBAR. Saudi newspapers claimed that Israel is driving toward creating facts in the Palestinian territories. The papers expressed sorrow over this American assistance to Israel, during a period in which all peoples of the Middle East aspire to stability and peace. Jordanian newspapers claimed that the Jews settled in the territories are liable to take the places of the thousands of Palestinians that will be expelled to the East bank of the Jordan. Yesterday, all terrorist factions condemned the American assistance in the operation...

ALGERIA

Returning Volunteers Complain of Iraqi Mistreatment

91P40263B London AL-MAJALLAH in Arabic
16 May 91 p 11

[Text] Informed sources have told AL-MAJALLAH that volunteers from the Islamic Salvation Front [FIS] in Algeria recently returned from Iraq angry at the situation there. During the war, these volunteers had been sent by the FIS to fight for Saddam Husayn's regime, but they returned from Baghdad complaining about what they found there.

Thirty of the 255 volunteers have already returned to Algeria, acknowledging their foolhardiness as the result of a mistake they had made. They pointed out that the Iraqi troops had confined them in their camps for weeks and kept them from associating with anyone. What made them even angrier and strengthened their conviction was that "Iraqi Ba'thists do not accept anyone."

FLN Official Discusses Elections, Opposition

91AA0350A Algiers AL-SHA'B in Arabic 4 Apr 91 pp 1, 3

[Interview with 'Abd-al-Rahman bil-'Ayyat, political office member of the FLN, by Muhammad Fadil: "AL-SHA'B Interview with Mr. Bil-'Ayyat"; place and date not given]

[Excerpt] [passage omitted]

[Fadil] It has been noticed that the Liberation Front leadership has remained somewhat silent about the repeated attacks against the front to an extent that has allowed the opposition to come out with several interpretations to explain this silence, including that the Liberation Front's leading members have abandoned it inasmuch as they did not join it out of a desire to struggle for and defend the principles on which the Liberation Front Party was formed during the liberation revolution. How do you explain that?

[Bil-'Ayyat] With regard to the serious problems, we are dealing with them with the kind of speed and depth they warrant insofar as the front's secretary general or political office, or the government, in cases where it is involved, attends to this task.

Regarding the characterization of the National Liberation Front's leading members, by virtue of their membership in the party, the central committee in particular, the work of the secretary general or the political office represents the front's position. They have the freedom and authority to express their views in the various fields and via the venues afforded them in the press and information media. We would like to note that some of these leading members have not denied themselves this freedom that may not exist in other parties. As far as I am concerned, I wish that every personality in our Liberation Front would do his part in our party press to defend the economic and political gains the FLN has achieved for Algeria, and, indeed, for the Algerian people, while maintaining partisan discipline and a desire to keep the FLN in power and refraining from giving free gifts to political contenders, especially since we are on the threshold of crucial and fateful elections.

Finally, such hesitation and such reservation on the part of the leaders may be viewed as one of the features of the transition from a one-party to a multi-party system that guaranteed freedom of political affiliation and prescribed to party members a minimum level of intellectual cohesion, unity of rank, and discipline in attitudes.

[Fadil] How do you view the national market in its universal concept through the equation of supply and demand and price under the independence guaranteed to establishments by virtue of the economic reforms that we are following?

[Bil-'Ayyat] One may go on and on about this topic in general. We know that the market is basically tied to the availability of a many products (goods and services produced by the national economy and imported by the country with hard currency, according to its capabilities). The national market is also affected by the method of distribution and marketing. Whereby, you can imagine the kind of confusion and uncertainty citizens would find themselves in and the kind of damage the establishments would suffer were there any tangible deficiency in production, any weakness in the ability to import, or any crack or circumstantial flaw in the wheels of marketing and distribution.

Hence, the establishments' independence exists in this kind of a climate, thus requiring the state and the government to play a judicious role. Furthermore, the government's role ought to be marked by rapid and deep intervention whenever necessary whereby the independent establishment would not be lost in absolute liberalism and the citizen would not come up against a situation not sanctioned by FLN principles and not intended by government policy, as was the case with pharmaceutical prices.

[Fadil] What do you say about continuity in the Liberation Front (modernization with old elements)?

[Bil-'Ayyat] Continuity between the old and the new and the young and old is a natural and necessary matter, but its utility lies in the wisdom and the manner in which it is done. For example, there has always been a successive and historic continuity between the national movement generation and the armed revolution generation (1954-1962) and, to a normal and satisfactory degree, between the revolution generation and the building and reconstruction generation and, in both cases, this occurred within a one-party system. Nowadays, it is different. We now have a multi-party system. The Liberation Front is going through a difficult period, for it is required to preserve strong principles and valued social and economic gains it has achieved. Amid this sea of political competition, veteran as well as new freedom fighters are required to adapt to the new situation in order to achieve continuity. Meanwhile, everyone in the FLN is trying to ensure that the future of the war and the country is contingent upon devotion to the principles of the process of struggle that has been vindicated by history, for current and future action will include hardships and require tremendous sacrifices. There is no doubt that guaranteed continuity depends on everybody's awareness and participation in the movement of change and the elections, for this stake is a must for everyone, and it calls for a firm will and real purpose far removed from defeatism.

[Fadil] A significant number of freedom fighters who ran on the free slate in the 12 June elections have returned to the FLN and adopted its platforms. What does this return represent to you?

[Bil-'Ayyat] The secretary general has, on several occasions, personally responded to this question to which we will only say that going back to the roots is a virtue. Furthermore, this return is a return to continuity now that estrangement has proven to be a slip and misstep after which the horse of struggle takes off to win the race.

[Fadil] The amendment of the election and the election districting laws has triggered disparate reactions. Some parties have welcomed the two laws while others have expressed their displeasure, saying that they serve the FLN in the upcoming legislative elections. What is your comment?

[Bil-'Ayyat] First, the justification of laws comes under the jurisdiction of the National Popular Council that has complete authority in this field as a legislative constitutional establishment.

Second, the deputies struggling in the party's ranks have political commitments and a responsibility toward the voters who have put their faith in them and they are entrusted with these two elements. It does not make sense for these deputies to shirk this responsibility, for the FLN does not lose sight of the fact that the people are watching and history is taking note.

Third, the same thing was said about the elections law up until 12 June, and you know that this was not in the interest of the FLN. This shows either that the National Popular Council was impartial and came out with a law that did not prevent an opposition party from getting results or that the same council did not use its experience well when drafting and passing the law, in which case one can wonder about the reasons for being afraid of the two said laws, bearing in mind that the election law does not have a radical impact on party affiliation and sympathy which is the basis for every party getting a shot at the electoral contest.

With regard to the electoral districts, there must be accurate information about the electorate and its position on the parties and candidates. And, in order to make it easy for decision-makers and others to form new opinions in favor of their candidates, such information must be related to more than one legislative election experience. Hence, we in Algeria are far removed from these givens and this vision, and the personal and subjective considerations of every deputy do not allow the drawing up of a cohesive scientific plan to serve as an obstacle to other party candidates. When the people become aware of the truth about the new electoral districts, they will be certain that everyone will still have a shot at it, and that success or failure will depend upon the credibility of thoughts, platforms, and candidates, and with the effectiveness of the party apparatus. As for commentaries by the parties, they are nothing but overstatements aimed at detracting from the FLN's intent and ability and at accusing it of modifying the laws to its advantage, thus raising unwarranted concerns and undue alarm to arouse public opinion against political and partisan action.

Finally, it is a tempest in a teapot, and the coming days will show that the FLN is honest and aware of its national role, and the current deputies will have an equal shot if they run as political contenders in the next elections.

PNSD Loses 328 Members to FLN

91P40263A Algiers AL-SHA'B in Arabic 11 Apr 91 p 3

[Text] APS, Jijel—Approximately 328 members of the National Party for Solidarity and Development [PNSD] in the village of Djemila in the Jijel wilaya have resigned, adding to those members of the [party's] village office

who have resigned recently. Djemal Abdi, the PNSD's federal official in Jijel, announced this to the Algerian Press Service.

The same source said that the reasons for this group resignation go back to party president Rabih Bencherif's joining the 'seven plus one' alliance. Before this, 135 Jijel party office members had resigned from the PNSD.

The same federal official explained that the resignees will join the National Liberation Front [FLN].

Parties Justify Call for Presidential Election

91AA0377A Algiers ALGERIE-ACTUALITE in French
11 Apr 91 p 7

[Article by Hanafi Taguemout: "Four Minus One"; first paragraph is ALGERIE-ACTUALITE introduction]

[Text] After Hamrouche, Chadli. Four parties are calling for his resignation. And early elections. The arguments.

"You clean a staircase from the top." One sentence says it all. It is clear. It is neat. It strikes the imagination. And it may be terribly effective. Four parties are demanding the resignation of Chadli Bendjedid and the organization of early presidential elections.

They are Kasdi Merbah's MAJD [Algerian Movement for Justice and Democracy], Ben Bella's MDA [Movement for Democracy in Algeria], Louiza Hanoun's Party of Labor, and Abassi Madani's FIS [Islamic Salvation Front]. Each party has its arguments and its reasons, developed on the basis of its strategy, for calling for Chadli to step down. Some arguments are common to all in the sense that they are linked to problems of law or to a shared perception of the country's situation. Others are more directly linked to the specific situation of each party. Here are the details.

MAJD

Kasdi Merbah's party is in a way the spokesman for this group. After contenting itself for months with targeting Hamrouche and his government exclusively, Kasdi Merbah is attacking the president, whom he asked to resign the very day he filed the MAJD's statutes, 5 November 1990. Since then, the MAJD has made this demand its hobbyhorse and principle asset in a political and media campaign to obtain the grassroots support needed for the existence and development of a new party. Why set the hurdle so high from the start? Kasdi Merbah lists with implacable logic the MAJD's reasons for demanding Chadli's resignation and the organization of early presidential elections.

1. In December 1988, Chadli took an oath on the Koran and swore before God and the Algerian people to defend the Constitution of 1976, the National Charter, and socialism. Only two months after being elected for a third term, he violated his oath by obtaining passage of a constitution other than the one he had sworn to defend.

2. Chadli has governed the country for 12 years. He therefore bears primary responsibility for its current bankruptcy. Under the law, the bankrupt forfeits even his political rights.

3. Algeria is experiencing a multiple crisis: a political, economic, financial, identity, cultural, and social crisis rolled into one. The political crisis determines all the others. New presidential elections would restore confidence, strengthen the country's political stability, and, as a result, reassure foreign investors and lenders.

4. After the legislative elections, the president will be the sole survivor of the old regime: the single candidate of the single party, elected on the basis of a constitution no longer in force.

5. This is the procedure that has been followed by all the countries of Eastern Europe. They have all begun by renewing the political structure starting at the top, through free elections, and working down. Algeria has done exactly the opposite.

6. Chadli can, of course, run in the early presidential elections. The MAJD is not requiring him to leave the political arena forever. He has a right to aspire to a fourth term.

Last, even if Kasdi Merbah denies it, there is the solid enmity that has divided the two men for at least a dozen years. Chadli cannot bear owing his rise to the highest office in part to Kasdi Merbah, who gave him a leg up in 1978 at the expense of Mohamed Salah Yahiaoui and Bouteflika. He stubbornly tried to marginalize him by giving him posts with no mission for two years. Merbah, on the other hand, has never forgiven Chadli for his determination to "cut him down to size" in the early 1980's or, especially, for the way in which he relieved him of his duties as head of government in 1989.

MDA

Ben Bella's party had always fought Chadli's "corrupt regime," from abroad. After the MDA was legalized and its leader returned to the country, the party's political line became more nuanced. For a long time, Ben Bella carefully avoided attacking President Chadli in his speeches, aiming instead at the Hamrouche government. This caution was particularly perceptible in his first speech, on his arrival in Algiers, and in his appearance on the television program "Meet the Press." The president's name was mentioned neither in the speech nor during the course of the broadcast.

However, Ben Bella's tactical retreat did not last long. He soon returned to the attack with a call for the holding of early presidential elections after the legislative elections, "whatever the results of the latter, even if the FLN [National Liberation Front] has the majority in the Assembly." Why? "All of Algeria must move into the second republic. The APC's [People's Communal Assemblies] and the APW's [Governorate Popular Assemblies] are already there. The APN [People's

National Assembly] will be in a few months. Only president will be left in the first, single-party republic. The presidency should be updated as soon as the APN has been. Hamrouche only exists by the grace of Chadli, from whom he derives his legitimacy and who can fire him when he sees fit without thereby settling the basic question. The real problem is the president."

Party of Labor

Louiza Hanoun's letter would have gained by the omission of certain irreverent expressions bordering on outrage directed at the president of the Republic, to whom we all owe a minimum of consideration and deference. Most of the reasons given in it for demanding the resignation of the president and his government are drawn from the Gulf crisis.

FIS

Relations between Abassi Madani's party and the regime have gone through three distinct phases, during which harmony has alternated with confrontation.

1. Prior to 12 June 1990. In campaigning for the local elections, the FIS levied fierce criticism on the current regime. This criticism culminated in the huge Islamist march on the president's residence, while all the other parties had until then contented themselves with the APN or the prime minister. The president, who refused to see Abassi Madani, was given a veritable ultimatum, read before tens of thousands of Islamists.

2. From 12 June 1990 to the end of March 1991. This was the honeymoon between the president and the FIS. Criticism stopped over night. One day President Chadli was a "kafir," and the next he had become "the president of all the Algerians"—in the words of Ali Benhadj, if you please. On the evening of 12 June, Abassi Madani dismissed the government. The alliance was sealed by two other events: Chadli's July 1990 announcement of early elections and his refusal to be present at the deliberations of the FLN Central Committee (early July 1990), preferring instead to attend the summit of the OAU, even if it did not have anything special on its agenda. The cordial alliance lasted almost a year—so long that many observers suspected Chadli of having made a secret pact with the FIS, an occurrence, moreover, that has never been officially denied by the presidency.

3. As of the beginning April, with the vote on the two electoral bills, the FIS decided that, by refusing to intervene by sending these bills that put it at a disadvantage back for a second reading, the president had broken the agreement between them. Since it sees no reason to continue to accommodate the president, the FIS has taken the offensive and for the first time is demanding the "holding of early presidential elections at the same time as the legislative elections." After being contemplated by both Chadli and the FIS, the possibility of cohabitation has received the FIS's de facto veto. Abassi Madani's argument is unanswerable: "The experience of

the communes and the APW's has shown us that an elected assembly cannot hold its own against a president who has been careful to concentrate the essential prerogatives in his hands. We need to achieve a uniform political majority by holding simultaneous elections for the APN and the presidency."

Commentary Examines FFS Electoral Strategy

91AA0378A Algiers ALGERIE-ACTUALITE in French
18 Apr 91 p 7

[Article by Larbi Oucherif: "The Big Initiative"; first paragraph is ALGERIE-ACTUALITE introduction]

[Text] Does the FFS [Socialist Forces Front] have a strategy? A credo? Its rank-and-file members think so. Its leadership and, most specifically, Mr. Ait Ahmed, are touting democracy as the form and framework for political relations in today's Algeria. They give it a content that veils or unveils reality and have set themselves the goal of "energizing" the silent majority. By what means? Their leader's charisma and a unambiguous program. The former is historic; the latter has the stamp of it. Ait Ahmed's FFS, with its new, "in" look, has cleaned house. Its members are appreciative.

The rank-and-file members exist. This one, an engineer, belongs to the FFS. He joined after October—at the age of 40. He was led to do so by "ideas and major principles": democracy, democratic socialism, human rights, and women's rights, the great human values.

He did not attend the first congress of the FFS, but he believes the democratically elected delegates—who were equals ("there is no personality cult, Ait Ahmed is only the first official")—bore these key objectives well in mind, because "democracy is not irreversible yet. All we have is a multiparty system!"

How does this member feel about his party's actions? "We do not go about gesticulating. Our positions are arrived at after analyzing the situation. This is the case with the rejection of the fundamentalist republic and the police system."

He says that the general strike and the reasoning of the other parties (the eight) are based on inherently irreconcilable premises. They are just "a political montage based on the principle that the FLN [National Liberation Front] must go and the FIS [National Salvation Front] is the same as the FLN. They cannot provide a viable alternative."

Despite this, the FFS "is prepared to discuss, with all the democratic parties, the basis of an unemotional political agreement that avoids the concerns and calculations of politicians—an agreement that would go beyond the elections towards meeting the democratic call for a constituent assembly."

Our engineer thinks that the general political strike will be seen by the people as an "affair among politicians."

He notes in passing that the agreement between the government and the UGTA [General Union of Algerian Workers] "does not solve the workers' problems. Besides, the government is not giving anything away. This is social security." The workers are redistributing their capital, with social security payments making up for wages. Are we not we headed towards the concept of a minimum family income? The FFS member speaking is an educated upper level manager, a mature man who has decided to take a stand at an age others think is for turning inward. He is taking a stand in the FFS party because, he says, "it is the only one that has remained faithful to its founding principle: the institution of democracy."

From the rank and file and the local council to the top, "we are convinced that this is the clue to apprehending the problems affecting Algeria and the Algerians, whatever their social level, whether they are workers, managers, merchants, unemployed men and women, Arab-speaking, Berber-speaking, or whatever. We discuss all this at the bottom. We take initiatives without necessarily having to refer them to the higher levels, whose hierarchic position, authority, decisions, and orientations we respect. This is relatively easy, since we analyze everything we do in the light of this notion of democracy."

The whole strategy of the FFS is contained in this approach. "There is no reason to get carried away gesticulating, talking about offensive or defensive, for instance. The struggle for democracy is that, quite simply."

At FFS headquarters on Bougara Boulevard, in a luxury apartment that is nevertheless too small for the activity under way, people jostle one another. They come from all over. You can see Mr. Hocine Ait Ahmed's relaxed calm and the respect he inspires in the members, whatever their age. One man, certainly a former member of the resistance, even saluted!

There has been talk here and there recently of an unknown variable: the FFS, this party that has published a communique announcing a major action after the APN [People's National Assembly] vote.

The FFS has attempted to exercise an influence on the evolution of the situation—the course of things—by relating elements of current circumstances to its own approach or line. All its demonstrations, statements, meetings, marches, conventions, and congresses are marked by and tend to create an image that says democracy. Thus, the congress is "a victory of democracy, by democracy, and for democracy."

The FFS of September 1963 was the successor to the FLN/ALN [National Liberation Army] of the war of national liberation. April 1980 and October 1988 passed the torch. You can see it: the democratic essence of 1 November 1954 has been reaffirmed, and its derailing demands a show against the enemies of democracy—in other words, "more democracy." Reestablishing the

FFS, broadening its base to include the entire country, and holding the local and regional pre-congresses were an exercise in democracy and transparency—a way for Mr. Ait Ahmed's party to emphasize that "we believe what we say, neither more nor less. We are breaking with the practices of secrecy and mystery characteristic of the single party."

The FFS is preparing the way for an Algeria of the people. The delegates to the congress worked hard "to give their party a social plan and adequate structures (...), with a feeling of duty done and to be done henceforth each day for their party and their country."

The FFS congress elected a national council that placed leadership in the hands of a 31-member national executive council. It goes without saying that the party leaders come from all the regions of the country.

For its members and sympathizers, at least, Mr. Ait Ahmed's party has managed to get its image to "square" with the original. The FFS is apparently a national democratic organization, prepared to fight for power and the definitive establishment of democracy.

By asserting itself as the successor to the ideals of the FLN of 1954, the FFS is picking up the thread of historic continuity, and Mr. Ait Ahmed has not hesitated to make use of "historic symbolism" when necessary, in particular through his joint declaration with Mr. Ben Bella in London in December 1985. Democracy and multiparty rule are a rejection of monopoly and political hegemony—which is reassuring when it comes to future relations with a major party like the FFS.

Last, the FFS portrays itself as the party with a hope of energizing the men and women who today constitute the silent majority, the majority that must proclaim "its right to have rights." Those who are excluded, those who are seeking themselves, those who do not know where to go—all these people will have the option of choosing the FFS, next week at the earliest and in two weeks at the latest. A major campaign involving debates, discussions, and the testing of the bodies established by the congress is scheduled, with the broadest possible diffusion of the program adopted by the first FFS congress.

The program being popularized for the conquest of the silent majority—"which is not the Marais"—is the absolute weapon that the FFS intends to put forward as a credible alternative, with possibilities of alliances on the basis of democratic objectives and the comparative weight of each component of the democratic movement.

This basic approach explains, if need be, the FFS's relative discretion in the wake of its congress. The "unknown variable" has been working on a major initiative: conquering the majority before the 27 June vote and gradually imposing and/or negotiating alliances, with its program becoming the key to reading Algerian society.

The FFS is becoming a magnet and, thus, for the other forces, an adversary—and a big one. Now that the debate has been broadened, we will see whether the specificities have been successfully stifled and whether Mr. Ait Ahmed's victory is total.

Economist Predicts Failure of Economic Reform

91AA0377B Algiers ALGERIE-ACTUALITE in French
11 Apr 91 pp 12-13

[Interview with Professor Hocine Benissad by M. Laras; place and date not given; "Beyond the Symptoms, the Causes"; first three paragraphs are ALGERIE-ACTUALITE introduction]

[Text] An accomplished academic and full professor, Mr. Hocine Benissad is one of the few economists of the older generation to chose to continue to serve within the Algerian university.

Mr. Benissad has had a prestigious academic career. He defended his state doctoral thesis in economics at the University of Paris in 1969. He has also attended the London School of Economics (London) and the University of British Columbia (Canada), where he associated with famous economists.

Like any academic worthy of the name, Mr. Benissad, who has always refused to accept compromise, even when accompanied by attractive offers, has kept his analytical abilities honed. In his latest work, he takes a critical look at the economic reform and predicts the failure of current monetary and financial policies.

[Laras] Academic economists seem to be absent from the debate about the economic reform. How do you explain this splendid reserve?

[Benissad] Why are economists holding back? Some of my academic colleagues say they do not have enough information to reflect calmly on the evolution of the economy. This opinion is not unfounded. These days, you cannot say that an economist who wants to do some thinking has the statistical information needed to get a coherent idea. Another reason academic economists have usually been absent from the big debates is that, although a few of us academics have written extensively on the evolution of the economy—in particular since independence—most of my colleagues who were present in the big debates have left Algeria and are working for international institutions.

Last, I think that, when all is said and done, our economists in general have a hard time developing an independent view vis-a-vis the government line. This tendency to reiterate the political line of the government in power is not new, and, insofar as the current reforms are concerned, there is reason to wonder whether economists, including those in the business world, are capable of developing an independent, critical view of what they are experiencing in the field.

[Laras] A recent CENEAP [expansion not given] poll indicates that administrators are still insufficiently informed on the content of the reforms and that most of them do not see any notable change in the organization of the economy. How do you explain this reaction?

[Benissad] It is true that administrators do not always understand the coherency of what has been done since 1987. The economic reforms do not in fact date from 1990. Implementation of reform measures began after the big oil crisis in 1986, with a clear acceleration in 1988, 1989, and 1990.

Still, the public authorities who devised the reforms have obviously not been able to sell their product and explain the reasons for the economic reform and what it is. Administrators note a lack of change and noteworthy evolution. There is something to this opinion, because, without denying the evolution of the institutional framework—there has in fact been a break with the system of bureaucratic, centralized planning we had before—the fact is that the evolution is barely perceptible at the level of company management. When a public company gets more than 80 percent of its supplies from abroad, this company is still dependent on the centralized allocation of foreign exchange resources. Even if decisions at the company level are made with a greater degree of autonomy, implementing these decisions calls for a number of resources that are now often beyond the company's grasp; hence the idea that autonomy is a utopia.

[Laras] Speaking of foreign exchange resources, things are about to change now, with the recent publication of an executive decree on access to foreign trade.

[Benissad] Changes are in fact being made in the area of foreign exchange allocation. A decree was recently published along these lines. However, to form a decisive opinion on this point, it would be better to wait and see the regulations issued by the Bank of Algeria, which is organizing foreign exchange access for both public and private companies. From what we know of this, there is no guarantee that companies will have as easy access to foreign exchange as we think.

[Laras] On the topic of those who devised the reform, don't you think that going from a central planner's mindset to a liberal approach is a difficult thing?

[Benissad] True, those in charge of the reforms must have some perfectly normal mental blocks, particularly the people who were directly involved in implementing the bureaucratic system of centralized planning. It is hard to see how these same people can suddenly become liberal economists capable of selling a product like the economic reform.

Given that we are dealing with a political administration raised in the shadow of the single party and bureaucratic planning, I do not think we can expect these people to be able to go beyond a certain point in their liberal mobility. Blocks are all you are going to get.

[Laras] At the end of your book, you predict that the false liberalization under way at the present time will lead to further pauperization of the masses. Why do you call it false liberalization?

[Benissad] Why false liberalization? Because fundamentally, as the administrators point out, there has not been any change. In 1988, after the reform process had already begun, a law was promulgated on government monopoly over foreign trade. This law is simply a carbon copy of the 1978 law. The reformers were unable to contribute any significant elements of liberalization in comparison with the previous system. The supplementary finance law for 1990 did make it possible to bring about changes through a pseudo-liberalization of import-export trade. However, this is an abnormal form of liberalization, since it represents de facto official acknowledgment of the parallel market—even if we do thereby manage to supply a portion of the market. The cost of this is inevitably dramatic inflation. Of course, in light of the scarcity of foreign exchange resources, this solution may seem like the better of two evils. Perhaps the question we should be asking ourselves in light of the foreign exchange constraint is whether the foreign debt is being managed correctly—whether there may not be other ways of managing the debt that might loosen the vice.

[Laras] Are you referring to rescheduling?

[Benissad] That is one possibility. Why not? Up to now, Algeria has opposed rescheduling, on principle. But under the present conditions, we should be pragmatic. We are no more ideological or socialist than the countries of Eastern Europe—supposing socialism is still a point of reference for the people governing us—and these countries have not hesitated to opt for rescheduling when conditions required it. The great lesson to be drawn from the evolution of the world economy over the past few years is that we have to go beyond dogmatic concepts.

[Laras] For many businesses, the slippage of the dinar has reached an intolerable level. Is such a large depreciation justified?

[Benissad] The rate of exchange was blocked for a very long time for dogmatic reasons. This situation did not bother us as long as pressure on the currency was not too strong. But beginning in 1986, with the foreign exchange shortage, it became apparent that it would be necessary to adjust the price of the dinar in relation to foreign currencies and to attempt to determine the true price of the dinar. Remember, the IMF was already encouraging Algeria to devalue its currency in the early 1970's. The public authorities took a long time to decide. When they did, they opted to spread the depreciation of the dinar over several years, making it less visible and less shocking. That is why Algerians discovered the depreciation in 1990—in other words, three years after it started.

Adjusting the exchange rate is a necessity. What shocks the people is that the depreciation is really quite considerable: over 300 percent. But you must also realize that, for 25 years, the exchange rate did not move and that this sudden depreciation comes as a result of its having been blocked for too long. In defense of the monetary authorities, we ought to remember that, before the beginning of this depreciation, we already had a large informal market financed by the parallel foreign exchange market, which means that the effect of this depreciation has not been as great.

[Laras] You predict the failure of current monetary and financial policies. Why?

[Benissad] I think that, despite the failure of the financial restructuring operation of the 1980's, there is still no understanding that the financial problems of a country or a business are only a symptom and not a cause. When you try to solve the problems of the Algerian economy by playing just on the currency and finance piano keys, you are attacking only the symptoms. Today, in the name of the doctrine of true prices, companies that are totally disorganized, unstructured, poorly managed, and over-staffed are being asked to base their sales price on their cost price. What can this lead to except skyrocketing prices that are untenable for users and consumers? By freeing prices in this way, will we absorb business deficits and enter a phase of surplus and profit? What do we find? We have gone to the opposite extreme, stagnating sales. It is not enough to set a sales price. You still have to be able to sell at that price. Moreover, if all the prices in the economy go up at the same time, the companies running a deficit will show a momentary profit for a certain period and then go back into the red. Why? Because if a company increases its prices but the components of its cost price (supplies, wages) increase, too, the company goes back into the red—unless it chooses to enter an inflationary spiral.

Because we have increased interest rates, lowered the exchange rate, or freed prices does not mean that we are going to solve the real problems of the Algerian economy. This has also proved true for other third world countries—Argentina and Brazil—that have tried to use the monetary and financial tool in the framework of adjustment programs.

The real solution lies in a serious diagnosis of the Algerian economy that will allow us to attack the causes, even if socially there is a risk of instability. Economic reform cannot succeed in the absence of a social program. There is no medium- or long-term social problem. However, to conclude, the current government should at least be given credit for implementing economic reform. Well or poorly? That is another issue. But you have to admit that the current transition phase is not easy to administer.

Commentary Discusses Economic Reform Problems
91AA0374A Paris JEUNE AFRIQUE ECONOMIE
in French May 1991 p 91

[Article by Djilali Benchikh: "The Economy Slides With the Dinar"]

[Text] Algerian economic operators, whether in the public or the private sector, are tearing their hair at present. The devaluation of the dinar scheduled by the Bank of Algeria has reached an intolerable point in recent months. We are approaching 4 dinars to 1 French franc. The result of this decline has led to increasing costs for the imported supplies (raw materials and semi-processed products) that are paid for in foreign exchange (32 percent of the imports in 1990).

The participants in the symposium on economic reform sponsored by Algerian television on 9 and 10 March in Algiers, which brought together economic operators and political party leaders, returned to this issue again and again. "The cost of our plan to manufacture saw blades was estimated at 1 billion dinars," Mohand Tayeb, the assistant to the PDG [president and chief executive officer] of the Djamane foundry, explained, for example. "But the bill is likely to be tripled or even quadrupled by the time the equipment is delivered. Where can the additional 3 billion be found? With the decline of the dinar, all of the preliminary studies become moot."

With a view to alleviating the burden of \$25 billion in foreign debt, the government has substantially reduced imports of raw materials. According to Mohand Tayeb, this decision has led to a considerable decline in the volume of supplies. "Our foundry, which employs 150 people, is producing only 100,000 laundry boilers, while our tooling capacity would allow us to produce four times that number. Our knitted-goods equipment unit is working at only 10 percent capacity, due to a shortage of raw materials," he explained.

The withdrawal of the state from the economic sector subsequent to the provision giving autonomy to enterprises, which will henceforth be subject to private management criteria, is causing public managers numerous headaches. Caught between the social constraints, which would lead to the elimination of unprofitable job positions and the demands of productivity, they no longer can see how to maintain the tremendous volume of wage earners while also following the dictates of efficiency. Professor Boukrami harshly criticized the way this is operating in his country. "When a businessman goes bankrupt in the United States, he commits suicide. In Algeria, he receives a promotion," he charged during the symposium. The decline of the dinar is not even pleasing to the exporters, whose products it makes competitive. "The current rate of 3.35 dinars to the franc may stimulate products with a high percentage of added value," Krim Nadir, the secretary general of the Algerian Exporters Club, explained, "but the positive effects of

the devaluation on goods produced with imported supplies are canceled out by the cost of the imports."

"In fact," Krim Nadir went on to say, "the government has asked businessmen to replace the 'bazaar economy' with a form of trade that has the effect of carrying industry along with it. But we suffer from a series of chronic shortcomings on the institutional level. The way in which information is transmitted is worthy of the Middle Ages. How, given this, can we respond to international bid solicitations, when the telex messages received by the embassies are not passed on to us immediately?"

Algerian experts admit that the country has the capacity to export goods and services apart from hydrocarbons. But they believe that these trump cards are canceled out by the bureaucracy and the ambiguity in the juridical and regulatory arsenal.

"The public enterprises have not yet adapted to the regulatory upsets," Miloud Medjamia, the owner and director of the Consulting and Management Studies Office (BCM), adds. "The potential demand for studies is enormous, but the operators have not as yet succeeded in determining their exact needs."

In fact, Algerian enterprises are faced with three types of problems: financial reorganization, supply, and difficult relations with the bank. However, in the opinion of Miloud Medjamia, the most crucial problem lies elsewhere. In fact, the lack of a national data-processing infrastructure is blocking the country's access to real economic independence. "Algerians are paying dearly for computers," he explains. "But without design concepts and software development, computers become a luxury trinket." And they are a luxury that Algeria, with its reforms, cannot afford for itself.

Columnist Sees French Linguistic 'Racism'

91AA0350B Algiers AL-SHA'B in Arabic 8 Apr 91 p 12

[Column by Ihsan al-Fatih: "Good Racism"]

[Text] Due to the fact that politicians talk a lot and stick their nose into almost everything, they sometimes may be right by chance, only because they talk too much, and some people may actually believe what they say. A case in point is when about a year ago, on 15 February 1990 to be exact, a leader declared in a press interview that there is "good" racism and there is "ugly" racism, and that there is "good" Islam and there is "ugly" paradise, etc., and some simple-minded people, like myself, admonished him at the time, but it turned out later that he was right. This is due to the malicious racism practiced by the pied noirs and the dark minds in schools against any Algerian citizen who fails to display visibly a cross around his neck, even if he were a layman and hates the Arabic language. It became evident that the French people practice racism fairly and equitably, portioning it

out to every Algerian citizen in France and elsewhere, regardless of his stand on the Arabic language law in his country.

This kind of racism cannot be considered "good," as far as we are concerned, at least, because it forces some of the Algerian chapter of the "Devoli" Party strugglers to realize the truth about themselves, their weight, and their standing in the streets of France which has always demonstrated to us its absolute lack of tolerance toward its enemies' descendants, even if these descendants have rebelled against their struggling fathers.

EGYPT

Soviets To Help Build Aluminum Project

91AA0317A Cairo AL-AHRAM in Arabic 9 Apr 91 p 9

[Article by Ahmad al-'Attar]

[Text] It has been decided to establish a new project for the domestic manufacture of aluminum production units that will have an annual capacity of 240,000 tons of aluminum. The investment cost of the project totals about 450 million Egyptian pounds. The design and manufacture of all equipment for the new project will be carried out with Egyptian expertise, in cooperation with a number of international agencies specialized in the aluminum industry. Ninety percent of this equipment will be produced domestically.

Engineer Sulayman Rida, the chairman of the Egyptian Aluminum Company, states: The new project will include 460 advanced aluminum production units, which will gradually replace the existing 460 units of the current factory. This project, which will be established over a four-year period, will make it possible to increase annual aluminum production by 25 percent, from the current 180,000 tons to 240,000 tons. This in turn will permit an increase in [annual] aluminum exports from 100,000 tons at present to 160,000 tons following the implementation of the project, and the continued supply of all domestic aluminum consumption needs, which total 80,000 tons.

Engineer 'Ali Sirhan, the chairman of the company's technical branch, states: Specialists in the company have designed and manufactured three groups of three aluminum production units per group. The design and manufacture of the first group of units was carried out in cooperation with a Soviet agency specialized in this field. The second group was designed and manufactured in cooperation with a number of professors at Cairo University's Engineering School. The third group was designed and manufactured entirely by experts of the company. Each group produces aluminum under full supervision and control, so that changes and upgrades can be introduced to each group on an ongoing basis as needed in accordance with performance results. After these groups complete an experimental stage, the most

successful group of units will be selected to be the model for the manufacture of all production units in the new project.

New Method

Eng. Sulayman Rida states: The experimental period will continue for a year. The different new units in the three experimental groups use the most up-to-date technical methods currently used internationally in the aluminum industry, which include baking the carbon paste, which is one of the steps in the manufacture of aluminum, in special furnaces separate from the aluminum production units, instead of the current method used in Egypt, which entails baking this material in the aluminum production units themselves using electricity. The new method will greatly reduce electricity consumption, because the paste will be baked using various types of available fuel, whether crude oil, diesel oil, or natural gas. This will save electricity that would otherwise be consumed in baking the carbon paste in the aluminum production units themselves. In addition, the new units will make it possible to increase the efficiency of the passage of the electrical current in the units from about 86 percent in the existing units, which is high by world standards, to 92 percent. Also, the direct use of fuel for this purpose will be more efficient, because the transformation of fuel into electricity yields only 36 percent of the energy present in the fuel.

Consequently, the new aluminum production units will consume 13,500 kilowatt-hours compared to the current amount of about 15,500 kilowatt-hours, which is low by world standards. Hence, it will be possible to increase aluminum production from 180,000 to 240,000 tons per year by using the same amount of electricity available at present, without need for additional electricity. In addition, the new units will permit a 10-percent reduction in the rate of consumption of several raw materials, including carbon paste and several types of salts used in aluminum production.

Eng. Sulayman emphasizes that several parts and components of equipment in the current factory will be used in processes pertaining to the manufacture of all parts for the new project, such as production units and furnaces. In addition, the company's factories, as well as several sister factories and companies in Egypt, will produce many new components and pieces of equipment for the new project. This will sharply reduce the cost of establishing the new project, which will require an outlay of about 450 million Egyptian pounds, compared to about 800 million Egyptian pounds at current world prices if all of the components for the new project had to be imported.

He adds that an integrated computer network is being established in the company. The network includes 15 computers and all modern electronic apparatuses needed for its operation. This network is intended to produce integrated designs for equipment and spare parts that

will be produced in the company, whether for internal use in the company's factories or to help cover domestic needs for these products.

According to Engineer Fawwaz Mustafa, the company's general director of research and design, responsibility for operating this network will fall on a group of experts and specialists who will be prepared and trained according to the most modern methods in this field. The network will cope with the growth in the domestic manufacture of equipment and spare parts. Such equipment and parts have customarily been drafted and designed manually with the use of several computers. The increase in demand for these products has generated a need for this integrated computer network.

Eng. Sulayman Rida states that almost 30 million Egyptian pounds worth of equipment and spare parts will be produced this year (1990-1991), which is an increase of about 20 million Egyptian pounds compared to last year. A large increase in the volume of production of this type of product will be achieved over the next few years, especially after the start of implementation of new industrial projects whose designs will be prepared and produced domestically, including the project to manufacture new aluminum production units domestically and the project to produce aluminum sheets, which will have an annual production capacity of 20,000 tons and which will produce new types of aluminum ingots. This year will also see the production of a large number of pieces of equipment and spare parts to meet the needs of a number of companies and factories in Egypt. Such equipment includes reinforcing iron milling equipment, phosphate milling equipment, grain milling equipment, aluminum foundry equipment (such as smelting furnaces and heat treatment furnaces), and steel equipment. Also, much equipment and spare parts needed by the company's factories will be produced. Eng. 'Ali Sirhan adds that this equipment will include heat treatment furnaces and all types of gears.

Eng. Sulayman Rida states that this equipment and these spare parts will also include melting pots for casting equipment and melting pot transport vehicles.

Experts Identify Weaknesses in Economic Planning

91AA0278A Cairo AL-WAFD in Arabic 1 Apr 91 p 3

[Article by Mamduh Hasan: "In Wake of The Thousand-Day Project. Where Is Five-Year Plan Going?"]

[Text] In all the countries of the world, rulers attach great importance to planning, and advanced countries rely on it in moving their peoples forward. In Egypt, the opposite is true. Witness the failure of all national plans the government has drawn up to save the Egyptians from exorbitant prices and the drastic drop in income levels. Egyptians do not feel a sense of security or trust in any action the government undertakes or promises to implement in its economic plans. Indeed, they have become wary of all plans because they are certain that such plans

are only on paper and far removed from reality. The question now is: What is the fate of the current five-year plan now that the government has set forth the 1000-day project? Has the time come for the government to be truthful, if only for once, in the plans, the programs, and the projects it presents to the Egyptian people?

A quick look at the results of the 1982-1987 five-year plan and the reports issued by the Central Agency for Public Mobilization and Statistics shows that, during this period, prices rose at the rate of 8.7 percent. The rate of inflation hit 17 percent; the GNP dropped to 6.3; and the unemployment rate rose to 5.12 percent. This means that the plan has failed to achieve its objectives.

The five-year plan that went into effect three years ago was aimed at: increasing the wheat belt by about 19 percent, the corn belt by 57 percent, the cotton belt by 12 percent, and the fruit belt by 29 percent; reclaiming 627,000 feddans; raising the industrial sector's GNP share from 17 percent to 19.2 percent; and allocating 650 million pounds for health sector investments and 6.8 billion pounds for the housing sector. It also aims to increase commodity exports by an average annual rate of 5.6 percent and commodity imports by 1 percent, and to lower the balance-of-trade deficit from 4,672 in 1991-1992 [as published].

So have all these figures been translated into facts and these objectives into a tangible reality? And have government policies succeeded in implementing the plan to raise the standard of living and curb inflation and high prices?

There is no plan! Dr. Muhammad Samir Mustafa, professor of agricultural economics at the National Planning Institute, maintains that, due to weak capabilities and overlapping jurisdictions that do not coordinate among themselves, the plan is moving at an extremely slow pace. Consequently, the people do not perceive any kind of change in their favor and do not sense the kind of development the government claims to have realized. During the period the plan was put into effect, bread and domestic and imported food prices rose, and, if indeed there was a plan whose objectives have been realized, we would have been well aware of our industrial course. We do not know as yet whether we are an agricultural country or an industrial country or something in between.

Dr. Hamdi 'Abd-al-'Azim, professor of economics at the Sadat Administrative Sciences Academy, attributes the plan's failure to accomplish its objectives to the foundation on which it was built: "The plan did not take into account the anticipated economic changes, be they at the international or domestic levels, as well as changes in world and investment markets such as oil and industrial commodity prices, gas prices, and interest rates.

"In order to grapple with the various changes the Egyptian economy is facing, the objectives realized ought to be reexamined." Dr. Hamdi added: "Furthermore, the plan's phased objectives are not commensurate with its

final objectives. The plan sought to enhance the private sector's role in planned investments, setting its rate of participation in development at 50 percent. We were surprised, however, to see this rate drop to only 20 percent. This is not to mention the plan's conflicting implementation policies at all the various stages, the backward collection methods the statistics agencies use when drawing up the plan, and the desire of some statistics officials to fabricate data and figures at the highest levels, either in an attempt to present a rosy picture of accomplishments or out of fear of being held accountable for the results, as evidenced by the fact that international institutions such as the IMF have no confidence in data submitted by us and prepare their own.

"Add to that the centralization of preparation for the plan's programs and objectives and the failure to give a chance to the lower echelons to take part in the actual implementation of the plans and to consult them when drawing up the plans before ratification, hence their unwillingness to cooperate with the higher authorities in achieving their objectives. I believe that the 1,000-day project will begin after the end of the five-year plan."

Dr. Faraj 'Abd-al-Fattah Faraj, assistant instructor at the economic section of the Statistics Institute, believes that planning is a political-economic factor rather than a purely economic process, for the plan's objectives are the product of popular demands and, therefore, linked to the democratic climate within the state. If the climate is right, the objectives would undoubtedly be a real translocation of the hopes of the Egyptian masses.

Green Party Calls for Study of Contemporary Problems

*91AA0342C Cairo AL-AHRAM AL-DUWALI in Arabic
20 Apr 91 p 8*

[Article: "Green Party Calls for National Gathering To Study Egypt's Contemporary Problems"]

[Text] Mr. Kamal Kirah, secretary general of the Green Party, told AL-AHRAM AL-DUWALI that it was the party's point of view that the agreement with the IMF will not reform the Egyptian economy "even if Europe were to cancel half of our debts."

"The agreement sets the stage for a reconsideration of Egypt's contemporary economic, social, political, or monetary problems," says Kamal Kirah.

"That is why the Green Party thinks that the time has come for a convocation of patriots and nationalists to get together and to study Egypt's contemporary problems in a nationalistic manner. They are to turn attention away from the question of who is to rule Egypt because power should not be the issue for Egyptian parties now.

"The issue," said the secretary general of the Green Party, "is that Egypt has problems which must be dealt with openly at such a national gathering where all partisan, national, or specialists' approaches to these problems would be represented. Egypt's problems would

then be studied in a nationalistic manner, and that would bring about a political, economic, and social theory which Egypt and the governments that will be implementing this theory would adhere to. It would then be possible to hold governments accountable to the methods which they are supposed to adhere to when they put this theory into practice because the methods which are now in use are nothing more than personally improvised ones."

On the other hand Kamal Kirah supported demands for amending the constitution and making it compatible with political pluralism. He said that as far as putting the emergency law into effect was concerned, the party supports the point of view that calls for that law to be suspended, provided that existing laws can deal with the emergency conditions that the country is experiencing.

Suggestions Made for Effective Use of Public Funds

*91AA0313A Cairo AL-JUMHURIYAH in Arabic
22 Mar 91 p 5*

[Article by accountant al-Sayyid Husayn al-'Azzazi: "Public Funds, Accusing Fingers"]

[Text] Public funds are abused through misuse. They are also condemned from the public's point of view for embodying faulty utilities and services. These are insurmountable obstacles which block a good start and prosperity because, like a sick person who never improves, treatment, visitation, and bedside companionship are required, at the expense of interests and expectations.

Public funds are the sum total of fixed, movable, and circulating assets. The expenditures that involve their movement and activity must be offset by a tangible, perceptible return that steadily increases. Suddenly they began to drop until they became a loss. The old, hackneyed reason is "managerial dysfunction," a term which, while harsh, is an honest translation to mean the absence of followup, nonexistent coordination, and the lack of censure and accountability; or limiting control, in terms of individual punishment, to the imposition of a penalty without replacing the loss or making it up, and to avoid falling into the claws of negligence through shaping, industry, maintenance, and treatment [as published].

The subject is large, with many angles and dimensions, allowing the opportunity to throw light and comment on some of them.

By way of noninclusive example, excavation work is carried on a single site by more than one agency. In a short period of time, the land is covered up, then uncovered, for various reasons: sometimes to install an electrical cable, sometimes to put in sewer lines, and other times to install telephone lines. The operation ends, or is suspended, but in both cases the situation never returns to what it was.

You should know that the municipalities have a role and powers, but they are ambivalent in carrying out their duties when the matter involves state agencies and sectors. Add to this scenario the slow and crossed lines of communication. This situation ends in the destruction of public utilities and the squandering of public funds, particularly when related to awarding work to subcontractors.

Then we come to government buildings lacking the ingredients of grandeur, strength, and the ability to endure. How frequently we read and hear about buildings that are destroyed or collapse before they are delivered, or shortly thereafter, including major bridges and flyovers, schools and hospitals. Examples related to public ground and rail transportation follow one upon the other, including management contempt for schedules and total or partial neglect of maintenance to the point that every conscience screams out in search of an official, starting from the director down to the guard. The consequences of incidents of neglect are often written off as "absent" or "unknown" because responsibilities cross and authorities conflict and collide with one another at the expense of right and truth. Another example is the monopolization of government cars and means of communications such as telephones for other than assigned purposes.

These images continue in such centers for services as bakeries which offer a loaf containing all the specifications of night: black, mysterious, and surprising. Sometimes the loaf is round, other times rectangular or ball-shaped, and always with a stuffing which may be sand, dirt, string, or matchsticks. It is covered with fine dust, arriving to the consumer after a battle that sets hearts astray. Flour for the loaf arrives at the bakery from the mill or storehouse stiff from storage, transport, or importation in a series of operations, molded by pockets or gaps of wanton neglect. The same is true of most foodstuffs, notably frozen meats and fats (such as butter).

As long as matters stay this way, the illness is obvious and the cure is known. I do not say "administrative revolution," as someone before me did, because that is a gelatinous concept that cannot be encompassed by a procedural fence lacking defined elements, ingredients, and tools. No two of us disagree on the need for administrative form in the area of managing public funds. For me, the entryway is as follows:

First, active, energetic, productive leadership cadres must be commissioned and freed from the circle of smothering job sycophancy to work through a supply agency. Let it be "The National Agency for Public Utility and Project Followup" with the right to supervise, followup, monitor, and hold accountable, committed to providing programs that include the activities, the manner of implementing them, and the dates they are to be completed by specialists, and those commissioned to review them, check them, and ascertain their content and feasibility.

This can be carried out in phases prior to implementation, when project budget proposals are submitted, and until they are approved, and the work under them begins.

Second, the submission of quarterly reports on allocations made, with the proviso that they be reviewed by governors and people's councils at the regional level, and by the cabinet and the People's Assembly at the national level, for review and comments by committees to conduct fact-finding and onsite inspections in a brief period of time, on the condition that work not be halted under any circumstances as long as it is governed by previously studied practical, scientific, and economic conditions.

Third, that the proposed agency be entrusted with achieving coordination between the various service agencies, and that it have a plan and comprehensive vision of its work gathered in a specific site or area within the period of one year to avoid repetition, conflict, and interference.

Fourth, that the proposed agency have the right to supervise public transportation utilities, including roads for example, means of communication, water for drinking purposes, electricity in terms of general increase and restricted consumption, sewage, the implementation of public buildings, maintenance of mills, bakeries, butcheries, and public gardens, etc., because all of this is directly related to the masses. Through rational management, the ministries concerned shall accomplish these services using their means and capabilities, supporting positive aspects and criticizing and overcoming negative ones, with determination to achieve greater rates taking into account considerations of labor volume, exchange rates, and capital added.

Fifth, prodding government and private institutions into effective participation in accomplishing the work of this agency through scientific assistance to perform its role in the best manner possible, sharing through greater reduction of costs, better use of labor, commitment to the rules of cleanliness, protection of public utilities through maintenance and repair, and filing reports on instances of neglect.

Sixth, relying on expertise and competence when forming this agency so that youthful elements from all specializations will be represented. This way it will be able to treat accumulated problems and confront new situations with the ability to absorb more areas at the public sector company level (for consumer products, intermediary goods, and services in the tourism area). Its role must be at a level that measures objectives against results, analyzing them so they can be developed, with related solutions and alternatives provided. It must be prepared to confront responsibly dysfunctional unit management, rescue it, and get it safely to shore (i.e., form a management rescue group).

Seventh, it would be preferable not to include this agency under the designation of ministry. It would be more appropriate that it retain its corporate identity as a

public national agency, unrestricted by regulations, instructions, simple numbers, or accounts, able to strike at the heart of performance and onsite accomplishment, unambiguously and impartially.

Eighth, that care be taken in this agency to redress tens of government and public agencies, bloated with positions, teeming with employees, and having multiple, lengthy chains of authority that make getting a decision arduous and remote.

These are all opinions seeking to correct the economic course by legitimate means represented by sound objective management. My intent is that all these opinions serve as review guidelines with the aim of adopting the easiest and most appropriate in order to realize the greatest benefit from public funds.

There has to be a sincere, aware realization that the interests of the individual is inseparable from the interests of the group, that public service is a sure path to social prosperity and progress, that true success is measured by what you contribute to others or by the response and satisfaction that comes back to all of us.

Free Market Status Assessed; Call for More Reform

91AA0341A Cairo AKHIR SA'AH in Arabic 17 Apr 91 p 9

[Article by 'Ala'-al-Din Mustafa]

[Excerpt] [passage omitted]

The Role of the Central Bank

What do economic experts and the banks say about the new free market for foreign currency?

Dr. Fu'ad Hashim, a former economy minister and the chairman of the Arab Investment Bank, believes that the liberation of the exchange rate is a long overdue reform step. A monitoring of the exchange rate since the establishment of the free market indicates that the dollar is rising against the Egyptian pound.

Exchange rate liberation policies, which grant freedom to transact in foreign currency, should always be accompanied by support from the Central Bank in the form of occasional intervention in the market to stem a sharp decline in, or preserve a certain level of, the value of the national currency.

It is extremely unfortunate that the central bank is not fulfilling this role or bearing its responsibilities. As a result, the Egyptian economy, under the current circumstances, cannot tolerate the application of the exchange rate liberation policy or free transactions in foreign currency, because it is still suffering from intense pressure from all directions, the final result being a continuous decline in the value of the Egyptian pound.

The pressures include high inflation, ongoing price increases, the balance of payments deficits, which in itself is a direct reason for the decline of the currency, and the large deficit in the general state budget. These factors combine to cause a drop in the Egyptian pound. If the currency market is left free, the pound will naturally decline under these pressures. This requires intervention by the Central Bank to protect the Egyptian pound from decline.

Regarding the role that currency conversion companies can play in the new system, Dr. Fu'ad Hashim states that the entry of currency conversion companies into the market will lead to the mutual approximation of prices and to a narrowing of the gaps between the exchange rates of Egyptian pound. Currency conversion companies convert currency without asking the reason. A currency conversion company maintains an operational balance. If the company exceeds that balance, it transfers the surplus to the bank, lest it become a buyer rather than a seller. If it does not sell enough, it amasses a surplus, as if it were preventing the circulation of currency in the market.

The Availability of Foreign Currency

Engineer Fu'ad Abu-Zaghlah, a former industry minister and a member of the Consultative Council, believes that the success of the free market system depends to a great extent on the availability of foreign currency sources. The exchange rate is a reflection of the economic situation, especially in a system in which the exchange rate has been liberated.

If we are to liberate the economy, expand economic and investment activity, and encourage the private sector to create employment opportunities, foreign currency must be available for the import of machinery and equipment, which increases demand for the dollar. If this demand is not met, the exchange rate will increase.

The coming phase requires a focus on production and export projects and the development of sources.

Fu'ad Abu-Zaghlah maintains that the Egyptian pound should be protected from decline, because an excessive decline will affect exports by increasing the price of imported raw materials and production inputs, which adds to the producer's price, thus affecting his ability to compete in world markets. Therefore, a sharp drop in the Egyptian pound against other foreign currencies is undesirable.

Daily Operating Balance

Mahmud 'Abd-al-'Aziz, the chairman of the Federation of Banks of Egypt, believes that the free market can absorb the growing real demand for [foreign currency to finance] imports or for banknotes for foreign travel. Before the new system went into effect, the free banking market covered most import requirements and other demands stemming from tourism, the pilgrimage, and the like.

Available information emphasizes that most of the banks have exposed their balances to the advantage of the new system. Uncontrolled demand, voluntary excessive demand, is impractical, exceptional, and anomalous. Therefore, we find that the exchange rate, although it sometimes exceeds the proper bounds and moves upward, nonetheless returns to a normal level, as indicated by the narrowing of the differences between exchange rates and the decrease in margins [of difference between purchase and sale rates]. With time, it is expected that the exchange rate will itself drop. This is natural. The exchange rate is a reflection of economic performance. The government is currently fighting inflation. As long as there is serious movement toward economic reform, a drop in the exchange rate is expected.

Deference to Market Forces

Dr. Hazim al-Babilawi, the chairman of the Exports Development Bank, believes that no one can be certain that the dollar exchange rate will increase in the near future. The liberation of the exchange rate in itself is a sound measure. However, it must be viewed within the framework of other integrated economic measures, because economic reform depends not only on the liberation of the exchange rate, but also on other economic measures pertaining to the well-known budget deficit, interest rates, the exchange rate, taxes, legal regulations, registration, declaration, and litigation, all of which are related.

Dr. Hazim al-Babilawi believes that the dollar exchange rate will drop if the conditions of the Egyptian economy and economic activity improve.

He states that the liberation of the Egyptian economy and the pursuit of policies conducive to the liberation of the exchange and interest rates will not end or curtail the Central Bank's role. This is to say that the Central Bank must manage financial policy and play a clear role, instead of the entire matter being left to the market. However, the Central Bank must exercise its role based on tools through which it acts wisely, taking into account market considerations to achieve economic policy goals. It must have a concept of what it considers a natural exchange rate. All central banks in the world perform this role. A central bank pays deference to market forces in a free system, because the interest rate and the exchange rate can be used as monetary policy tools. The Central Bank must have a view. It should not pass arbitrary judgement, but should take into account market forces.

Hazim al-Babilawi believes that currency conversion companies have an effective role in increasing the volume of the dollar, particularly in clarifying the volume of true demand. An increase in the supply of the dollar is linked to confidence in the economy. When this confidence is present, people who retain dollars feel that they can relinquish them, which increases supply and consequently affects the exchange rate.

Stability of Economic Conditions

Muhammad Farid, the chairman of the International Arab-African Bank, believes that the success of the new free market depends primarily on: the availability of foreign currency sources; an expectation of a drop in the dollar rate; the stability of the system; the presence of a sufficient number of currency conversion companies to cover the entire country with their activity; and the return of normal conditions in the Gulf, which will increase supply by generating an increase in the remittances of Egyptians working abroad, and by stimulating tourism, which is affected by security stability in the region, and which brings in about \$2 billion per year. If these conditions stabilize, we could see the dollar drop.

Muhammad Farid believes that currency conversion companies enhance the supply of the dollar, because it is easy for them to operate and they can amass dollars.

Competition Between Banks

Mamduh al-Naduri, the chairman of the Cairo Bank, attributes the increase in the dollar exchange rate in the first stage of the establishment of the market to the fact that the rate was determined based on competition to attract foreign currency, rather than on supply and use. Also, the rates of different banks differed greatly, and there was a large difference between the purchasing and selling rate. However, after the adjustment of the market and the Central Bank's precise, resolute control of the operating balance determined for each bank, the rate is now set based on demands pertaining to the existing uses of each bank. The banks' exchange rates have come into mutual approximation, and the difference between the purchase rate and sale rate has diminished considerably. He believes that the dollar exchange rate will stabilize shortly, because there will no longer be hoarding of dollars or a desire for an increase in the dollar rate, for numerous reasons, including the strengthened directives of the Central Bank and the banks not to establish credit in the Egyptian pound as a result of the liberation of the interest rate.

Mamduh al-Naduri adds:

I cannot be certain whether the free market can supply the demand for foreign currency [at present]. But it can be said that it will do so gradually in light of the end of the Gulf War and the expectation of an increase in tourism and remittances from workers abroad, an increase in exports, and a decline in hoarding due to the current involvement of the banks in selling and buying, which makes transactors feel confident that they can buy dollars at any time to cover their needs.

Increase in Dollar Expected

Engineer Husayn Sabur, the chairman of the Egyptian-American Business Council, believes that an increase in the dollar in the climate of the new system is to be expected and should not be feared. Rather, it will encourage the establishment of domestic and export

industries and will curb spending on entertainment, because it will become very costly. We import many raw materials and production inputs. An increase in the dollar could result in the establishment of industries to feed large industries. Also, as long as the dollar rate increases, demand for the dollar decreases. Demands stemming from tourism or travel abroad will decline. Therefore, I expect that a balance will occur regarding the exchange rate at some point through a drop in demand and an increase in domestic production, which will replace imports and encourage exports. An increase in the dollar exchange rate is a natural result of demand exceeding supply. Inasmuch as we export less than we import, the increase in demand for the dollar will continue, until we reach a degree of balance. Imports will be expensive until local products can be produced to substitute for them and thus curb demand for dollars to finance imports.

Eng. Husayn Sabur adds: Economic reform entails not just the liberation of the exchange rate, but a group of measures that must be taken together. If only some are taken to the exclusion of others, the damage will be greater than the benefit, because reform measures are integrated and must be taken together. If this is accomplished, I expect a large improvement in the economy.

Sa'id al-Tawil, the chairman of the Businessmen's Association, believes that the new system is a step forward. However, the banks have not yet absorbed the new system and are competing against each other illegally. Nonetheless, in time, everything will be adjusted. If we want true economic reform, all stages of all reform aspects must be implemented in a unified fashion.

Sa'id al-Tawil adds: According to a new study, the dollar is expected to rise if Egyptians in the Gulf do not come to Egypt this summer. This will result in a shortage of remittances and consequently a shortage of supply and an increase in the dollar rate, unless the Central Bank intervenes.

Public Sector Prices Higher Than Private; Reactions

91AA0344A Cairo AKHIR SA'AH in Arabic 17 Apr 91
pp 26-27

[Article by Nabilah Hasanayn: "Prices Are Extremely High in Public Sector Stores; Why? Goods Incompatible with People's Fixed Incomes and Prices Competitive with Private Sector"]

[Excerpt] [passage omitted]

The Public Sector Is Not Slashing Prices

"The public sector should have been satisfied with the smallest profit margin possible," affirms Mustafa Zaki, president of the Chamber of Commerce, "and that is cost plus a very small profit margin. At the present time the

situation has been reversed: The public and the private sectors are competing with each other, and the price now is the economic price."

In the eighties companies that produced goods had to have prices approved by the Council of Ministers. That practice came to an end, and prices are calculated now based on economic cost and not on subsidized cost.

The question lies in the competition which exists now between the public sector, [on the one hand], and the investment and private sector, which has not been subject in any way to any form of profit or mandatory prices. [as published]

The firms, Sidnawi and 'Umar Afandi, have now become like private sector stores. In fact, it has been noticed that private sector stores are less expensive because administrative costs in public sector stores, manifested in wages, salaries, the number of workers, and remaining administrative expenditures, are undoubtedly much greater in public sector stores than they are in the private sector where no sum is spent unless the highest return from that expenditure is assured. This is also true of workers and their productivity. Workers in the private sector, unlike those in the public sector are 100-percent productive. In addition, public sector stores have been redeveloped, renovated, and modernized, and that investment cost had to be added to the prices of products. Accordingly, the burden of that additional cost is borne by consumers.

It is unfortunate that consumers continue to have confidence in the public sector. They view the state-owned public sector with confidence because they think the public sector has to seek their interests and must not take advantage of them. Consumers are confident when they go to public sector stores because of the public sector's old history. This is evident from the volume of sales in public sector stores where sales rose noticeably during the past three years. Competition is a factor in bringing prices down. According to the agreement we have with the IMF, the marketplace factors of supply and demand will be allowed to operate freely. Accordingly, prices will be determined by supply and demand. At the same time the Investment Law will accomplish the same thing. Law Number 43 is the only law that exempted or exempts firms from fixed prices. The laws that amend Law Number 43, except Law Number 230, the most recent one, accomplish the same thing. It is Law Number 230 that authorizes the prime minister to interfere and to set prices for some important goods which are produced by investment companies.

Renovations and High Prices

What does the Ministry of Supply think about the high prices of public sector products? What is the truth about these price increases which make no sense?

'Adil Habashi, president of the Public Sector Organization for Consumer Goods, says, "Neither public sector consumer goods companies nor private sector ones set prices. Quality then is controlled by supply and demand

[as shown in the Arabic]. The phenomenon that can be found in the private sector at the present time is that most prices in that sector are lower than those in the public sector. This is especially true in the case of some durable goods like video cassette recorders, television sets, and [other] durable goods. The private sector gives up a margin of its profit to pay its debts, but the public sector cannot give up its minimum profit of cost plus a margin of profit. In all cases all the goods that are for sale are of the best varieties."

[Question] Is there some relationship between the renovations which are being seen in public sector stores and price increases?"

Mr. Habashi affirms, "There is no relationship between price increases and the renovations that we did. Developments are carried out according to a well-considered plan, and they are being done, first and foremost, in the interest of citizens and in the interest of having a good display."

One phenomenon which has started manifesting itself in public sector stores in Cairo and also in the governorates is that the goods which are for sale at these stores are not compatible with what consumers can afford. And this is one thing the public sector can be faulted for: first, it is now offering goods for sale that are not compatible with what citizens can afford and, second, these goods are not compatible with the environment in which citizens live.

Habashi had this to say about this phenomenon: "What people can afford is our first and foremost consideration when we select the goods we offer for sale in all the firms of the Public Sector Organization for Consumer Goods and in all their 1,004 branch stores, which are scattered all over the country, in Aswan, the New Valley, Cairo, and in Marsa Matruh. We also consider taste, the separate needs of each governorate, and the size of the place. The place itself determines what is available for sale there."

'Adil Ghunaym, head of the commercial sector at 'Umar Afandi Department Stores, says, "With regard to price discrepancies between goods that are sold in public sector stores and their counterparts in private sector stores, one must first consider the quality of the merchandise which is available for sale at public sector stores and the quality of the merchandise which is available for sale at private sector stores. For example, a shirt that we sell for 30 pounds is quite different from the shirt that a private sector store sells for 25. The quality of the fabric is different and so is the workmanship. But as far as our prices are concerned, the margin of profit is determined by matters in the law and not by supply and demand which have nothing to do with changing profit. Tampering with prices to increase the margin of profit is in no one's interest."

Furniture Prices: Very High

[Question] Prices for furniture sold in public sector stores are very high. Why is that?

Mr. Ghunaym affirms, "Wood for the furniture sold in public sector stores is processed especially for us. At the same time we are considered responsible for this furniture indefinitely. That is why we make it our business to select the kind of wood that will be used in making the furniture we buy. We also select the factory that will manufacture the furniture. We make it our business then to select wood of good quality, and we bear in mind at the same time the meticulousness and the beauty of the finish. Evidence of this lies in the fact that in the past 10 years furniture purchases have increased 20 times over previous years. They are also rising from month to month. We appeal to people of all levels in all the governorates by offering them affordable prices plus quality and competitiveness."

Cheating Is Prohibited

Mahir 'Abdallah, head of the commercial sector at Sigal Department Stores, affirms that there is less trade fraud in the public sector than there is in the private sector. And while prices in the private sector are lower than they are in the public sector, quality is also lower. In most cases the public sector is financed by the banks, and the high interest rates they charge is reflected in higher prices. When a firm sets prices for its goods, it takes its margin of profit into account. The markup covers the interest paid to the bank as well as administrative costs which are manifested in the large administrative and financial machinery of these firms.

Prices in public sector firms are in most cases determined at a central location, and the markup ratios are fixed. But in the private sector there is flexibility in determining prices. Furthermore, the private sector does not have the burdensome financial and administrative machinery which the public sector has. Also, many public sector firms do not borrow from banks and do not, therefore, have the financial burdens which the public sector has.

Prices in public sector firms are also affected by the fact that these firms spend large amounts of money on their branches which are scattered everywhere in the country. But the confirmed and proven fact is that the quality of goods which are sold by the public sector is better than the quality of goods sold by the private sector.

[Question] But what does quality mean anyway?

Dr. Mursi Salit, chief of the Chemistry Administration and a quality control expert at the UNIDO Organization, says, "Quality is measured by the extent to which a product meets the consumer's needs and fits his economic standard. Quality is affected by several factors which are associated with quality, namely, the worker, the raw material, the machine, marketing, management, the method of production and operation, and other factors.

"However, what is being said about prices in the public sector being higher than prices in the private sector because of quality is not quite true. The best products,

for example, are German products, but these products are not the most expensive. Prices in the public sector are high because cost factors are high. That means labor. The cost of labor in the private sector is different from the cost of labor in the public sector, where it is called hidden unemployment. There are also administrative costs and the cost of high interest rates imposed by the banks. All these are factors which make prices in the public sector higher than prices in the private sector."

[Question] But what are consumers saying about high prices?

Hanafi 'Abd-al-Ma'bud Muhammad, an accountant in the Public Company for Silos and Storage, says, "The public sector is no longer in the business of serving the public, which is what it is supposed to do. Public sector stores are now keeping up with private sector stores. Public sector stores have changed so much that consumers can no longer buy anything from them. It is true that prices are high in public sector stores as well as in private sector stores, but at the present time prices are higher in public sector stores. We go to the public sector because of the group purchase and installment payment plan which is made available to us by the companies. Other than that, it is the rich and not the poor who are benefiting now from the public sector."

For Whom Are These Goods?

Zaynab 'Iraqi, an employee of the National Bank, says, "There are things like furniture and electrical appliances which I prefer to buy from public sector stores. But I still don't like the style of women's and children's ready-to-wear clothing in public sector stores. As far as I'm concerned, however, prices are high in public as well as in private sector stores. Furniture prices are especially high. At the Sidnawi store in al-Khazindar, for example, there was a bedroom suite on display selling for 40,000 pounds. Who can buy it? How many young people in particular can afford it? This means that public sector stores now have goods for certain people who have money but not for people on fixed incomes."

Mahmud 'Abdallah, an electrical engineer, affirms that there is a clear difference between prices in public sector stores and prices in private sector stores. He gives a simple example of that when he says that the ceiling light fixture he found at 'Umar Afandi Department Store selling for 48 pounds was identical to the one he purchased from al-Ruway'i Stores for 30 pounds. Public sector stores then are more expensive. This is only a simple example of that fact.

Al-Sa'id Salih, a salesman in the furniture department in one public sector store says, "As a consumer I shop in public sector stores because I get a discount. Without the discount, I would not shop there. As a consumer I find that prices in public sector stores are higher than they are in private sector stores. That is why I am asking public sector stores to take prices into consideration. After all, we are all going through a severe economic crisis, and

prices in public sector stores are supposed to be lower than prices in private sector stores, not the opposite."

Husayn Ghunaym Hasan, a salesman in the electrical fixtures and furniture department at one of the stores, says that there is more than one reason why he prefers, as a consumer, to shop at public sector stores. Goods sold by public sector stores are guaranteed 100 percent. The companies which produce the goods and ship them to public sector stores where they are to be sold are concerned about the public sector's reputation and about their own reputation as well.

Goods sold in public sector stores may be returned to the store or replaced one or more months after they are purchased if the product turns out to be flawed or defective. In the private sector, however, the rule is that "Sold merchandise may not be returned or exchanged."

Whereas salesmen in private sector stores are interested first and foremost in selling lower quality goods, salesmen in public sector stores are interested in selling better quality goods because lower quality goods will be returned to the company that manufactured them.

Hanafi 'Abd-al-Ma'bud Muhammad thinks that the public sector must set up its own workshops. He also thinks that the burdensome number of administrative personnel in the public sector must be reduced. Because lax punishment leads to the negativism and the indifference that are currently plaguing the public sector, employees who make mistakes should be fired, as they are in the private sector, and not just warned.

Five New Cities To Be Built

91P40257A London AL-SHARQ AL-AWSAT in Arabic
27 April p 9

[Article by Ahmad Gharib: Five New Cities in Egypt]

[Text] Egyptian Minister of Housing, Utilities, and New Communities, Hasaballah al-Kafrawi, announced that work will begin on five new cities: al-Nubariyah, Beni Swayf al-Jadidah, al-Miya al-Jadidah, Badr, and al-'Ubur within the coming months. In addition, the early stages of work have been completed in seven other cities which are presently inhabited.

He said that the ministry is providing easy terms for Egyptian and Arab investors to own land and build their projects in these cities. These terms include paying the purchase price in installments and exemptions from customs fees and taxes for 10 years. In addition, all obstacles facing investors would be removed until the start-up of production and marketing of products.

The minister said that more than two billion [Egyptian] pounds were spent on establishing these cities, that more than 400 factories started production, and that output at these factories amounts to three billion [Egyptian] pounds per year.

He said that 170,000 apartments are being built in the new cities which will be owned by Egyptians, returnees from abroad, and fellow Arabs.

Minister Hasaballah al-Kafrawi added that the ministry is presently preparing to establish 12 cities in addition to the 12 already in existence.

The necessary studies have been completed for the prospective cities and work on them has already started. Large areas of land will be available in these cities for Egyptian and Arab investors to establish their projects.

Construction Company Reports Profit After 9-Year Loss

*91AA0298A London AL-SHARQ AL-AWSAT in Arabic
7 Apr 91 p 14*

[Article by Sabri al-Jundi: "Al-Shams Housing and Construction Company Realizes Profits After Long Series of Losses"]

[Text] After a nine-year-long series of losses, Egypt's Al-Shams Housing and Construction Company was able to realize profits of 5 million pounds at the end of the first half of 1990. Of this sum, 525,000 pounds were subject to distribution as the share of the company's stockholders.

The good results of the company's business this year can be partly attributed to the beginning of implementation of the settlement reached between the company and the Arab Investment Bank, to which the company owes \$43.8 million.

It was agreed that Al-Shams Housing and Construction Company would transfer to the bank \$14.2 million in shares it owns in various investment companies, as well as \$600,000 in fully finished housing units. Thus, the total sum of the settlement is \$14.8 million. The balance of the debt had risen from \$22.5 million because of interest accrued against the company.

It was agreed that the term of the settlement would be three years, beginning with the company's 1990 budget. The Arab Investment Bank obtained a number of shares: 8,166 shares in the Egypt-Abu Dhabi Investment Company, at a face value of 100 pounds sterling a share, for a total value of \$1.316 million; 20,000 shares in the Al-Shams Pyramids Company, at a face value of \$100 a share; and 1,366 shares in the real estate investment company that owns the Sheraton Muntazah Hotel and the administrative building in central Cairo, at a face value of \$100 a share and a total value of \$1.366 million—this in addition to \$600,000. The total transferred during the first year of the settlement thus comes to \$5.3 million, with another portion of company-owned stocks valued at 4.7 million pounds to be transferred this year. In the third year, Al-Shams Housing and Construction Company will transfer \$4.7 million.

As a consequence of implementing this settlement, the company realized revenues of 6.2 million pounds, representing the difference between the value of the actual debt to the Arab Investment Bank and the settlement. The company realized another 2.4 million pounds in revenue—the value of its first year's share under the settlement in the previously constituted allocations of the Egypt-Abu Dhabi Investment Company and the Al-Shams Pyramids Company. An interest payment of 2.5 million pounds to the bank was canceled. Total revenues thus came to 11.1 million pounds, which covered all losses through 1 July 1989—10.6 million pounds.

In the next two years, the company will be able to lower some payments by the value of the transferred shares. It will thus be able to realize revenues this year (2.4 million pounds), as well as in 1992.

Al-Shams Housing and Construction Company is said to own assets valued at 6.8 million pounds. As of 30 June 1990, its assets had diminished by 1.4 million pounds, the value of the company's housing projects that had been sold and handed over to its sequestrators.

The company is currently implementing housing projects valued at 47.2 [million pounds], including 1.5 million pounds in investment expenditure. This is an increase of 22.5 million pounds over the size of last year's projects because of the purchase of a great deal of land to implement the company's new middle- and low-cost housing projects. These projects involve 608 housing units at a total cost of 14 million pounds—6.85 million pounds of this represents the price of land purchased for building the housing units.

Financial investments amounted to 58.9 million pounds, a decrease of 9.97 million pounds from the previous year. The decrease can be attributed to the shares transferred to the Arab Investment Bank.

Consultative Council Discusses Population Problem

91AA0316B Cairo AL-AHRAM in Arabic 5 Apr 91 p 6

[Text] In its serious discussions, the consultative council dealt with the population problem in Egypt in light of an outstanding study prepared by the services committee under the chairmanship of Dr. Mahmud Mahfuz. The study, which was presented to the council by Dr. Salih al-Shimi, deals with the world population situation, population policy in Egypt and its development, and the current and desired population situation. In their discussions, council members emphasized the need, as we approach the 21st century, to treat the population problem in a comprehensive, human development framework that focuses on four basic areas: education, health, the position of women, and family planning. There is no escaping the national nature of the population problem. Planners, executives, and others concerned with the population problem must become convinced that it is a basic element of Egypt's leading

problems, treatment of which cannot be restricted to a certain sector, but must extend to all aspects of life in society. Emphasis must be placed on the need for political commitment to the goals of treating the problem, not only on the level of the political leadership, but also on the level of senior and middle leaders. In this way, the population dimension will come to be regarded as a basic element in decisionmaking, and expenditures regarding the population will come to be regarded as a basic component of state investments, which society must provide, because comprehensive, human development will magnify the benefit derived from all of society's resources.

Council members called for the adoption of an ambitious family planning program according to a comprehensive development program. Some members recommended basing the program on each family having two children, with the understanding that this would be achieved over the next 20 years. Those making this recommendation warned that any delay in implementing this recommendation would mean the addition of ten million people to Egypt's population. Council members also called for a review of the organizational structure of the National Population Council, the establishment of a new ministry for population and the environment, the improvement of the conditions of women in society, and an end to the employment of young children. They also stated the need to establish new urban societies to absorb 1.5 million people, and to give families the right to choose how many children they wish to have in keeping with their capabilities, circumstances, and commitment to provide for and assume the economic burdens of caring for their children and raising their standard of living, with the understanding that the National Mother and Child Council has a role in this regard. Some criticized the lack of a clear population policy in Egypt or an integrated strategy to deal with the population problem. Criticism was also directed at the lack of clarity regarding the responsibility of workers in the National Family Planning Program, the absence of trained workers able to implement the program, the inefficiency of family planning service providers, the lack of orderly supply lines for birth control means despite the start of production of some types of pills in Egyptian factories, the shortage of financial resources allocated to the program, and primary dependence on outside constraints.

In response to issues raised by the members of the council in their discussions, [Prime Minister] Dr. 'Atif Sidqi stated that the National Population Council has greater capabilities than those of the budget of any ministry in Egypt. This council makes policies and refers them to executive agencies to remedy the population problem. The health minister stated that the ministry has begun a program to train about 4,000 doctors, who will devote themselves to family planning. He added that the state is currently providing all family planning means throughout the republic. The education minister stated that population concepts are being introduced at different educational levels to shape attitudes among students with a view toward family planning. He added that

the state is striving to eradicate illiteracy, which is a primary means of reducing the population increase. The information minister stated that the information and press agencies are playing an effective role regarding family planning.

Our greatest hope, as we raise the most serious national problem which we are facing, is for continued, enlightened concern for this problem, because ignoring or disregarding it impedes our progress. The red light must continue to control us, because without curbing the population increase, we will not be able to carry out the necessary reform plan.

ISRAEL

Peace Now: Government Disguises Investment in Settlements

TA1351010A Tel Aviv DAVAR in Hebrew 13 May 91 p 3

[Report by Roni Mandelbaum]

[Text] According to most reliable calculations, the Construction and Housing Ministry's actual budget for 1990-91 stands at over 1.1 billion shekels [approximately \$458.3 million]. This statement is published in a new report issued by the settlement follow-up team of the Peace Now movement. According to the report, it is greatly feared that the ministry is disguising and concealing a greater part of its activities and investments in the territories, in order to bolster the settlement drive.

The report asserts that settlement in the territories is now in one of the most massive periods of construction and settling it has known, all of which is done with government planning directed by Sharon and Shamir. The rate of the mounting of mobile homes in the territories is faster than elsewhere in Israel. Out of the 5,000 mobile homes the ministry is placing throughout Israel, 1,000 are intended for the territories. It is further noted that Amana, the Gush Emunim settlement movement, has used Construction and Housing Ministry funds to purchase an additional 300 mobile homes from Tromasbest Co. The report adds that most of the mobile homes allocated for the territories have been mounted already.

The Peace Now settlement follow-up team contends that there has been considerable growth in construction starts of housing units carried out in the framework of budget construction in the territories: 632 in 1990, versus 579 in 1989. It was reported that the construction of 13,000 new housing units is planned for the next two years. The team notes that 40 housing units in the settlement of Tapuah, which is inhabited by Kakh members, are being built with Construction and Housing Ministry financing.

In the framework of general evaluation, Peace Now notes that the settlers enjoy benefits which the law had envisioned for the population living far from central Israel,

as well as unique benefits not granted even to developing towns. For instance, the development and infrastructure costs are defrayed by the government; the mortgages are three times higher than usual inside the State of Israel; repayment arrangements are incomparably preferential; a 7- percent tax reduction is given; the settlements are connected to the electricity networks at the expense of the Energy and Infrastructure Ministry; state guarantees are given to industrial plants and grants to hotels.

The report authors claim that their information is incomplete because government ministries and settling bodies avoid issuing full and detailed data and disguise money transfers through various camouflage techniques, such as the registering of territories as parts of other districts—the Jerusalem or central districts, for instance—making it difficult to differentiate between investments in Ma'ale Adumim and those in Jerusalem.

The report notes that the number of Jewish settlers in the territories stands at nearly 100,000, including some 3,000 immigrants. The report adds that, although there is no government policy of directing immigrants to the territories, the newcomers take advantage of the excellent conditions offered there. At the same time, follow-up is difficult because the government painstakingly avoids giving out data.

Defense Minister on Lessons of Gulf War

91AE0381D Tel Aviv HAYARDEN in Hebrew
12 Apr 91 p 2

[Article by Moshe Arens: "It Is Too Early to Discern the Lessons"]

[Text] It is still too early to derive lessons based on the six-week war in the Gulf, those lessons that we would want to translate into practical conclusions. But there are a number of things that may already seem clear to us, despite the fact that only a short time separates us now from the end of the war. First, it is important to stress that if there will be war—and we hope that there will not be—but if there will be war, we should not expect it to be like this one we just had.

We should also not expect in the next war to see a large coalition headed by the United States defeating the Arab war engine or the war engine of a country that is hostile to us and wants to attack us. That happened this time, for the first time in our history. We certainly cannot base our plans on having such a thing happen again. We have to base them on our own strength, whether we say that in sadness or in pride, but only on our own strength.

The attacks on our rear that we witnessed are likely to recur. There is a proliferation of missiles in the area with ranges to Israel on the part of almost all the Arab states. Shelters provide only one answer and not exactly the most important. First, there has to be the ability to attack the sources of fire, to silence the sources of fire. As we know, already some time before the six week war, we began developing the "Arrow" system, an original Israeli

development, a technological breakthrough that has merited large American monetary support, a system that in the final analysis will provide almost complete defense to the entire country.

Our basic security position has to be based on conventional capability, on decisive ability on the conventional battlefield in hopes that this ability may also deter aggression against us.

As to the position that "almost" any agreed-upon arrangement is preferable to any war, I agree with the "almost" but not "every" arrangement; I could not agree to that.

We have seen an example of that just recently. It was possible to reach an agreement with Saddam Husayn; you merely had to agree to his demands and then there would not be war. However it seems to me that throughout the entire world—except, perhaps, for a few exceptional places—there is agreement that but for this war and but "for all the defeats" that Saddam suffered, we would have had to fight another war, and under more difficult conditions.

In my opinion our deterrent ability has not suffered. Our deterrent ability is built on our military capability, which is very great, and I am sure that it is well recognized in the Arab world. The recognition of our capability constitutes our deterrence. I would dare say that our deterrent ability was expressed even in this strange 42-day war.

On the floor of the Knesset, on the 7th of August, a number of days after the outbreak of the Gulf crisis, I announced that we would not accept the entry of Iraqi forces into Jordan. We saw in that step one of the dangers, one of the threats to ourselves. We treated that threat seriously. We announced unequivocally where the red line was, and the Iraqis did not cross that red line; and it seems to me that it was no accident.

I would add that we prepared for the possibility of an attack by chemical warheads. We armed the population with defense kits, set up sealed rooms, and the Iraqis did not use that weapon against us. I am sure that it was not for love of Israel. That was the result of our deterrent capability.

As to the question of an overall political agreement, we have desired such an agreement not for 42 days but for 42 years, and I think the entire world—including many Israelis—received a lesson in the hard reality of the Middle East during the 42-day war. Perhaps they understand better in the entire world, and in Israel, as well, how difficult the peace process, the road to an overall political settlement, is; how slow it is; and who is responsible for the fact that it is so hard and so slow.

Is it not clear to everyone that there are Arab rulers who have no incentive to make peace with Israel? Beyond that, there are Arab rulers who do not want peace with Israel at all, who feel they need peace with Israel like a

hole in the head. Everyone would agree that Saddam Husayn falls in that category. I suppose everyone would agree that Mu'amar Qadafi is in that category, and it may be that those two rulers are not the only ones in that category.

Deputy Minister Porush on Politics, Economy

91AE0388B Tel Aviv HA'ARETZ in Hebrew 24 Apr 91 p 2B

[Interview with Rabbi Menahem Porush, Deputy Minister of Labor and Welfare, by Akiva Eldar, place and date not given]

[Text] [Eldar] Before this government was formed, you were firmly behind Shim'on Peres. How do you feel sitting in government sessions with Z'evi and Raful? What do you do next to Sharon who is trying to sabotage peace efforts with settlements? How do you live with this internal contradiction between the path that you believed in only a year ago, and your participation in this government?

[Porush] It is thanks to Mr. David Levi, because precisely since he wants to prove himself, he changes things, and this change of his greatly influences Shamir. Sharon is a chapter all his own, and I cannot understand where he is leading.

[Eldar] Do you support the policy of the majority in your government in the matter of Af Sh'al?

[Porush] The territories do not have the same significance today that they had before the Gulf war, when the Iraqis could threaten us with scuds. If we become sure that the local Arabs also want to stop the war, we will find the way along with them. We have passed on to a new terminology: from autonomy to self-rule, and they are being given what was not given them in the past. It must also be taken into account who it is that is doing the giving—the one who opposed the whole idea of autonomy.

[Eldar] Do you really believe that the Likud will give it? It was the Likud which put the brakes on the autonomy talks in 1982. Have they changed?

[Porush] Not all of the Likud are from the same mold. I do not want to name names, but I can give you a string of names of those who could sit with the members of the Ma'arakh (Alignment) and reach agreement on all political processes.

[Eldar] Do you not feel the remotest suspicion that perhaps Shamir hopes that this time too the Arabs will refuse and thus do his dirty work for him?

[Porush] No. He will get great satisfaction if he succeeds in making peace with the Palestinians.

[Eldar] Arye Der'i said in the Cabinet meeting that if this government causes the initiative to fail, Shas (Sephardic

Torah Guardians) will not support it. Could you say the same thing for Agudat Israel?

[Porush] I am sure that he cannot say that about Shas either. The Aguda will judge the essence of the matter. We do not rush to sign agreements, we are very careful to live up to agreements. We arrived at an agreement with the Likud that satisfies us, and we give them the support they need.

[Eldar] Do you believe that this government can lead us to an agreement with the Palestinians?

[Porush] I am sure that Shamir is ready to offer them self-government for a transition period, and this is giving a lot.... Will this government with its present composition be ready for a peace proposal? I doubt it. There are two alternatives, one that Shamir will pass up the peace proposal and remain a minority government, and there is also another possible alternative: I have a feeling that trusted middlemen can bring about a unity government if only it will bring peace.

[Eldar] Would you be ready to be that kind of middleman?

[Porush] For peace, I am ready to do anything. And not only I—there is a feeling that all the religious partners will also be ready. The Likud is a more united faction right now than it has ever been, even though Sharon is standing aside. Shamir, David Levi and Arens have a majority in the center.

Ever since I reached the age of reason, I have supported the labor movement on social issues, but on political issues, it is no secret that I was a member of 'Etsel in my youth, and I carried out extremely dangerous missions. In all this zigzag in which I have moved, I have kept to this course to the end.

[Eldar] Until you joined the government with Rafal and Ge'ula Cohen.

[Porush] This happened because others did not stand by their agreements. All this yelling and shouting about our blackmail were forgotten last year, when Shim'on Peres could stand at the Knesset podium and say that he recognized and honored and understood the need to repair the discrimination toward Torah education and Torah institutions.

[Eldar] This happened because they all courted you to win your support.

[Porush] No. Let a stranger praise you and not your own lips. But strangers will also say that, thank God, I have found a common voice with both blocks in the Knesset. They understand that we are right. To tell the truth, self rule is the corridor to a Palestinian state. The beginning of my closeness to Peres on political matters in the last two terms was because of the course he took with Husayn. That is the solution.

[Eldar] What is your opinion on the settlements? Is this not a case of "to annoy"? To sabotage the peace process?

[Porush] Sometimes one listens to instruction rather than teaching. Although I seriously consider all my political decisions, and I am greatly influenced by the fact that there is a power higher than myself, which binds even when I tend that way—and this is the Council of Torah Sages—I can tell you that it will be very hard to take if the government of Israel decrees that she has no right to settle in some part of the Land of Israel. This is Halacha, but do you instruct this way? We must consider the political facts and see what this brings and what we lose by it

I cannot understand this. There are certainly large tracts in the Galilee and the Negev, and even at the approaches of Jerusalem out to Ramla and Lud. It is clear that there is no need to go on talking and provoking. My heart is with every new settlement, but I must be realistic. Believe me, I want with all my heart to see the coming of the Messiah.

[Eldar] Does the Prime Minister not need to curb Sharon and keep him from provoking the United States with the settlements?

[Porush] I have no doubt that in the end the settlements will not be the obstacle to peace. If we really bring it about, that in return for halting the settlements, the Arab states cancel the embargo on us, it will be a very great thing.

[Eldar] Meanwhile, immigrants search through trashcans, and the United States is not hurrying to stretch out a helping hand, partially because of the settlements.

[Porush] Do not exaggerate. They are not searching through trashcans. The Russians thought that here they would be given work on a silver platter, but they have learned that it is necessary to move from one profession to another, and they are retraining and making the change. The special team of the Ministry of Finance, with the special team of the Ministry of Labor and Welfare, is developing a program for initiated public works. Not jobs created just to keep people occupied, like painting trees. I will give you one example: a fast train from Tel Aviv to B'er Sheva', or even to Elat. There are many things to do. Since I took over the post, we have paid out 480 million shekels in unemployment insurance, and this year we will pay much more than 600 million shekels. I agreed with the Minister of Finance on the need to change the conditions for receiving unemployment insurance, so that after two months a person will have to work anywhere they send him.

[Eldar] You would force doctors to pick fruit?

[Porush] To do anything. I would not accept the qualifying certificates for the various professions, especially connected with human life, that they bring with them from Russia. I see with satisfaction engineers who work as dishwashers. If there is a sector that has potential, it is

the building sector. This face-off with Arik Sharon about foreign workers was very much against my spirit, and I took a stand against it because I was sure that this would be a great disaster. I am certain that the people of the Ministry of Housing are slowly arriving too at the realization that the pressures from contractors to bring foreign workers were not appropriate. A worker from Thailand, from Poland, from Turkey, receives 50 dollars a month there; here the minimum wage is 500 dollars a month. Then where does the rest disappear? It does not need much explanation.

[Eldar] And what will you do with all the workers from the territories who fill the building sites today?

[Porush] There are 65,000 here without permits, and only 35 thousand with permits. Imagine the significance of this paradox.

[Eldar] Some of them are employed by Histadrut factories.

[Porush] When I fought against importing foreign workers, I learned about 600 foreign workers whom Solel Boneh wanted to bring in from outside the country. Then I did not have to say much to Mr. Kaiser. He immediately stood at my right hand, even though this was opposed to the interests of the Histadrut. I think that I represent the interests of the Ministry of Labor and Welfare very well and act with sovereignty in the full sense of the word.

[Eldar] You speak of the interests of the Histadrut, of the Likud, of the Ma'arakh, but you represent first and foremost the interests of the strictly Orthodox community, and it seems as though you use your authority as the one in charge of for the Ministry of Welfare to force your will on the majority. Let us take as an example the subject of the retarded in Christian institutions, whom you threaten to throw into the street, and who, sadly, cannot differentiate between Judaism and Christianity.

[Porush] I will never forget the founding of the state, when they brought the tens of thousands from the camps in Europe, and those who had fled from the Arab countries, and put them in ma'abarot (tent camps). Sixteen missionary organizations arrived in Israel and opened day nurseries. They had no apparent interest except in the children, but they penetrated families and devastated them.

[Eldar] Do you have proof that this also happened in the institution in Eyn Karem, which absorbed children whom no Jewish institution was caring for?

[Porush] I have been totally amazed at the free hand approach, where a social worker sends children to missionary institutions.

[Eldar] Is there another solution?

[Porush] It clearly is possible. They also take money. The adoption law does not directly address institutions, but it

establishes that a Jewish child must be adopted by a Jewish family. A Jewish child needs to be in a Jewish institution.

[Eldar] And if there is no Jewish institution?

[Porush] There is, but we have no money. In the session with the Finance Minister, I arranged for three hundred more children to be absorbed in institutions. The missionary institutions have a function, mitzvot (religious commands), quote unquote, to convert. Therefore I gave instructions to make every effort to put every Jewish child in a Jewish institution. And if automatic entrance into an institution is not possible, to bring the child to me. Even if I have to pay for it myself, I will not let them put a child into that kind of institution.

[Eldar] Do you not think that it is a scandal that retarded children do not find their place and families are destroyed?

[Porush] There has been an increase in the birthrate, and therefore also in the number of retarded, especially in the Sephardic and strictly Orthodox populations. The State was not ready for this and the Ministry of Labor and Welfare has been orphaned lately. But this is not what you are asking about. Take this matter of Galetronics which received the prize. This plant forces its workers to kneel to the mother, the son, and the holy ghost. Whoever does not do that, knows that there is no place for him there. In thirteen years, 200 families have been sent to missions by them.

[Eldar] For conversion?

[Porush] Yes. I can account for what I am telling you. Thirty five families converted in Galetronic's branch in the settlement of Netzer near Haifa. A dossier was opened against them in police headquarters for leading witnesses astray. They threatened with dismissal the workers who wanted to testify. They gave 25 thousand dollars to buy a child. We know that that they baptized a minor to convert him. They gave money to Mrs. Spiegel so that she would convert. The son-in-law of that factory owner adopts children, and he has a symbol in back from the Ministry of Social Welfare. They are also active among the new immigrants and arrange housing and employment for them. They already have 82 families.

[Eldar] What about your intention to close the Israeli international airport on the Sabbath?

[Porush] Until 1962, the Ben Gurion airport was closed on the Sabbath, until Alitalia broke the barrier, and after a few months TWA as well. I want to say to you that if only I had the power to close the airport on the Sabbath, I would, but not every wish is possible. But I will not allow this complete anarchy to continue, where every man does that which is right in his own eyes. It is not reasonable that right now 500 people work at the upkeep of El Al on the Sabbath, doing things which could be done on weekdays. To transport flowers one plane would be sufficient, two planes. Can you believe that seven

planes go out on the Sabbath with different cargoes, and why? It is an immeasurable shame and disgrace: because in many countries in Europe they do not allow cargoes to travel on Sunday, but we! There they keep the day of rest on Sunday. What is the outcry here? There are 1,500 people working in the airport on the Sabbath now, including all the banks. But the airport will not be closed, I do not say this because it satisfies me, but because it is the reality.

[Eldar] I spoke before Independence Day with the historian, Professor Ya'akov Katz, an important researcher of Judaism, and he claims that a change has occurred in the strictly Orthodox world. In Eastern Europe, until the war, only the talented were sent to Yeshivas (rabbinic academies). Here every youth, excellent or not so excellent, is sent to Yeshiva. It seems possible that this is in order to escape serving in the army. Perhaps the suffering in the tent of the law springs from the fact that those suffering are not equipped to study?

[Porush] If I compare the present period to the period after the first world war, certainly today there is greater impulse and predisposition to learn, and there are many more great Jewish scholars from the younger generation than there were then. Except for this, do not think for another minute that it is such an easy decision for one to take on himself "Torah as his occupation."

[Eldar] But the decision to enlist is even harder.

[Porush] Forgive me. That is completely untrue.

[Eldar] Because someone who does not study is considered a failure?

[Porush] In the years of the founding of the state, I went with Rabbi Me'ir Itzche Levin to Ben Gurion to speak with him about the Yeshiva students. He screamed and shouted for an hour and a half, until Paula came down and said, "They are like our grandfather. Why do you shout at them so?" Suddenly, in the next half hour, he said, "Good. Tell me what you want?" He changed completely. Before we left, I asked Ben Gurion, "Why did you oppose us so vehemently in the beginning, and after that softened up?" He said, "Perhaps you did not notice when Rabbi Levin said to me, "Ben Gurion, the Torah centers and the Hassidut in Europe have been destroyed. Now we are building a new homeland here. Give us Yavne and her scholars. And you said, "Know, Mr. Ben Gurion, that if we can not educate our children in Yeshivas as we wish, we will not be able to remain here."

[Eldar] But he surely did not intend that they should all go to Yeshiva. Even in Yavne, not everyone was a scholar.

[Porush] Even if you say that there are those who are not talented enough to realize the ideal of "Torah as their occupation," it is much easier to fulfil army service and go to work. It is a self-sacrifice to learn in Yeshiva. If in a stormy and materialistic time like this, we do not give

our youth this immunity to sit and learn Torah as long as possible, and to soak in the Torah atmosphere—then we are not immunized. Beyond that, ask the men of the Ministry of Defense and they will tell you about the great changes that are happening over time on the subject of enlistment of Yeshiva students.

[Eldar] Many more are enlisting now?

[Porush] Many more. Undoubtedly.

[Eldar] On Independence Day, the Israel Prize was awarded to the Yeshivot Hesder (Yeshivot where young men combine army service with Yeshiva study). Here, the Mafdal (National Religious Party) found a way to fly both flags at once.

[Porush] The Mafdal has lost the way. They have not produced a generation which will continue the way. With them, now, the flag of nationalism is above and the flag of Torah is below. The spiritual leadership is not their leadership. The Mafdal is no different today from "the Tehiyah" (Renaissance Party).

[Eldar] And it also does differ from you in that it is Zionist.

[Porush] Am I not a Zionist? Do I need somebody to wake me up on the ninth of Av to feel the pain of the destruction of the Temple? Zionist is instinctive for me. This is not nationalism. I know that without Torah, the Jewish people cannot survive. Out of 360 thousand people who have left Israel, you will not find even a small percentage who are strictly Orthodox. Our connection to the Land of Israel is deep in our soul.

[Eldar] Why must this keep you from exhibiting it outwardly, for example by marking Holocaust Remembrance Day and Memorial Day?

[Porush] According to our outlook, there is no authority which can establish new prayers and holidays. If something distresses me, I recite Psalms. I look with pity on those who do not keep Mitzvot (Jewish law) and search for new holidays. I keep Independence Day more than the secular keep the Sabbath. I have felt on my flesh the religious persecution of the British rule. We had no rights and it is impossible to say that I miss the days of the Mandate. With the rise of the State, we fought and have achieved, thank God, many rights.

Soviet Consul Interviewed on Relations

91AE0378C Tel Aviv HA'ARETZ in Hebrew Apr 91 p 2B

[Interview with Aleksey Chistyakov, Soviet Consul in Israel, by 'Akiva Eldar; place and date not given]

[Text] Still prior to the Gulf war, in late December 1990, I met with Consul Chistyakov for the purpose of this interview. Upon noticing the photographer, he asked why I had invited her. I reminded him that we had scheduled an interview. Chistyakov said that he had

actually intended an interview not for publication, merely a background conversation. He apologized for the misunderstanding, and asked that I understand that the time (a period of extensive diplomatic activity prior to the war) was not conducive to interviews with a Soviet diplomat. Still, in order to compensate me, he suggested that I send him written questions; he would respond to them quickly and send me the answers, in writing, of course. I preferred to wait until the end of the war in order to hold, as is customary, a face to face interview, rather than receive ready made answers without knowing who had prepared them.

Upon the end of the war, I renewed contact with Chistyakov and asked to hold the interview. To my surprise, he again insisted that the interview take place by correspondence. He promised that I would receive the answers within 48 hours, so they could be published last Tuesday. The document arrived by fax on Thursday, more than a week since the day that the questions were dispatched.

The answers, as expected, were brief and dry. The general consul preferred to avoid several questions by giving answers that were not for publication.

[Eldar] How would you describe the political situation in the Soviet Union following the referendum? It seems that you are sunken deep in a socioeconomic-political swamp. There are those who claim that this is enough for you and that there is no room for you to interfere in the problems of others, of the Middle East, for example.

[Chistyakov] I am convinced that the results of the referendum will be a very strong positive factor, in the long term, in the development of my country. Regarding the Middle East, here we are not dealing with what you term the "the problems of others," but with our own problems. This region borders our country. We have deep interests in it, and we intend to protect those interests well and to further them."

[Eldar] The American secretary of state, James Baker, promised Yitzhaq Shamir that he would call upon the Soviet Union to renew diplomatic relations with Israel. Shamir says that without normalizing relations you will not be able to participate in the peace process. You say that as long as Israel is firm in its positions, you will not renew relations. How do we get out of this vicious circle?

[Chistyakov] First of all, the circle is not a vicious one as long as [the parties] are truly interested in exiting it. Second, I do not maintain that you are reading the official Israeli approach correctly. The point is that whoever attempts to ignore the weight and the influence of the Soviet Union in the Middle East, or in any other place in the world, is shutting his eyes against reality. In politics, this is likely to cause errors in the assessment of situations and the formulation of a reaction to them. As I understand the Israeli approach, it views the role of the Soviet Union in the settlement of the conflict in the Middle East correctly.

In a press conference held in Moscow on 15 March, the Soviet foreign minister Aleksander Bessmernych was asked about the possibility of establishing diplomatic relations with Israel. The minister responded that this was part of the settlement of the conflict in the Middle East. He believes that it is very likely that the day is near when relations will be renewed. Bessmernych said that he hopes that this will be done in the near future. Indeed, if you join these two approaches, you will receive the answer to your question.

[Eldar] Do you not see a contradiction between your policy supporting self determination for the Palestinian people and the policy of your central government, which oppresses every movement struggling for self determination among the Soviet peoples?

[Chistyakov] It was sufficient for me to participate once, last year, in the victory day celebrations in order to understand the attitude of the people of Israel toward the Soviet Union and its people and how much it appreciates the role that my country played in defending other states' right to self determination, including that of Israel. I hope that this time, on 9 May, you will join us on this occasion. Moreover, I wish to note that a foreign diplomat who is strict about nonintervention in the internal affairs of the country in which he serves can expect his hosts at least to be polite when discussing, with his consent, the internal affairs of the country that he represents."

[Eldar] It appears that you accept the principle of a solution in stages. You proposed the establishment of a regional military control center. What is the role intended it?

[Chistyakov] The idea behind the proposal to establish a regional center was to find a way at least to reduce the military tension in the region, thus enabling the creation of an atmosphere more conducive to the next steps toward the peace process and the settlement of the conflict. The parties [to the conflict] are primarily likely to utilize such a center, in order to enter information related to their worries, exchange such information, and clarify situations that are likely to arouse fears and apprehension among the involved parties, thus bringing about greater stability and the possibility of predicting the regional situation and the developments therein. I understand that this will serve the interests of both the Arabs and the Israelis, as well as others."

[Eldar] What is your approach to the arms race in our region? Will the Soviet Union be willing to accept limitations on arms supply to its allies in the Middle East—Syria, for example?

[Chistyakov] I assume that your feelings toward the arms race in the Middle East are no different than those of all the peoples who live in this region, and they are many. Therefore, I think that this issue must be discussed on a multilateral basis by all of the involved parties. I wish to remind you that the Soviet proposals for the stabilization of the situation in the Middle East were submitted in

February 1989 by Eduard Shevardnadze, who was then the Soviet foreign minister, in a speech that he made in Cairo.

The Persian Gulf crisis emphasized the need to take steps toward the limitation of the arms race, both non-conventional and conventional, in the region. It is possible, in my opinion, to take some of these steps, particularly those whose purpose is to instill a perception of security, now or in the near future. Others require a political solution of the Israeli-Arab conflict, and it is possible to work them out within the framework of this settlement.

The Soviet ideas that were submitted to Baker in Moscow on 15 March emphasize the need to consider the balanced reduction of arms shipments to the region and the need for serious discussion of the issue in order to arrive at a cooperative agreement that will also include a supervision mechanism. There must be a responsible approach on the part of both the exporters and the importers of arms. We will not achieve anything by isolating this item or that item or this party or that one."

[Eldar] How did you personally feel when you sat in a sealed room in Tel Aviv in order to hide from the Scud missiles that were manufactured in your country and supplied by it to Saddam Husayn?

[Chistyakov] The situation is no different than the one which existed in the summer of 1982, when bombs, rockets, and shells of a different make fell on Beirut, in which I was then stationed. It is a known fact that the Scud missiles that the Soviet Union supplied to Iraq were not capable of reaching Israel, since their range would not enable this. I did not, however, pay much attention to the trademark that the missiles carried—not in Beirut and not in Tel Aviv.

[Eldar] Are you still subject to Arab pressure with regard to Jewish emigration to Israel?

[Chistyakov] In my opinion, it is not right even to try to exert pressure on someone when his behavior is consistent with international law, as the Soviet Union acts in its policy toward the emigration problem. I cannot speak on behalf of a third party. As I understand the approach of the parties to this problem, they, and we, are worried not about the emigration from the Soviet Union to Israel per se, inasmuch as it is legitimate, but with regard to the settlement of the immigrants in the occupied territories. This worry relates to international law, i.e. the articles of the Fourth Geneva Convention, and cannot be considered an "Arab perception." The Soviet Union and Israel are signatories to this treaty.

[Eldar] Can you indicate a trend of regret among immigrants from the Soviet Union having difficulty in their absorption here? Have you encountered appeals by Jews seeking to return to the Soviet Union?

[Chistyakov] The fact is that there are people from the Soviet Union who immigrated to Israel in order to settle there and now they regret their decision to leave their homeland, because, among other reasons, they cannot adapt to the new social environment. Nevertheless, some of these people remain in Israel and try to become acclimated. Others, who are incapable of withstanding the crisis of absorption, seek the renewal of their Soviet citizenship in our consulate in order to return to the Soviet Union. Some require years to take this step. Others—months and even days.

[Eldar] Are there still Jews in Chernobyl asking for their children back while the Habad [movement] is holding on to them? What is your opinion of Habad's activity in the Soviet Union?

[Chistyakov] It seems to me that this issue has already been discussed extensively in the Israeli press, which has expressed and reviewed the interest of the Israeli public and its reaction to it. You certainly know that at the time of the last crisis and with the deterioration of the security situation in the region, which also had an impact on Israel, there were parents whose children were in Israel, in the Habad village, who demanded that their children return to the Soviet Union. A few of these children indeed left Israel, some in a special Aeroflot plane that was sent from Moscow to Tel Aviv. We maintain continuous contact with Habad. Soon we will meet with them again, and then I will be able to ask them your last question on your behalf and I will transmit the answer and my feelings on the subject to you.

[Eldar] Soviet immigrants in Israel are now the largest ethnic group. How do you view the impact of Soviet culture on life here?

[Chistyakov] Most of the former citizens of the Soviet Union who have immigrated to Israel in order to settle here belong to a single ethnic group. Indeed, they bring with them their culture in the wide sense of the word. But I maintain that the full impact of the incorporation of this new element in Israel has not yet been fully examined and is still not understood; it will be felt in the future.

[Eldar] Israel is struggling to find employment for thousands of Soviet doctors, engineers, and scientists. Each one of them is a brain that the Soviet Union has lost. How do you relate to this?

[Chistyakov] You pointed out these difficulties, and if they worry you I can only suggest that in order to relieve those worries you inform these doctors, scientists, and engineers who wish to immigrate to Israel of your difficulties in finding employment for them here. With regard to the second part of your question, the answer is definitely yes. The grooming of talent costs money. Accordingly, it is clear that when this talent and this profession leaves the country, the state loses.

Official Discusses Economic Cooperation With USSR

91AE0378D Tel Aviv 'AL HAMISHMAR in Hebrew
(Sabbath Supplement) 10 Apr 91 p 18

[Interview with Danny Gillerman, president of the Association of Chambers of Commerce, by Haim Margalit; place and date not given]

[Text] The Soviet Union is a hard nut to crack from every perspective, states Danny Gillerman, the president of the Association of Chambers of Commerce, who is proud of the fact that he has furthered trade relations with the Eastern European states. He tells how six years ago, when these states were called "the eastern bloc," he had established contacts, or, employing literary language—"he who plowed and planted can now begin to pick the fruit...."

Gillerman further explains that these countries are no longer as they used to be. Israel now has close trade relations with Poland and Hungary, and trade relations are starting to develop with Czechoslovakia, Bulgaria, Romania, and Yugoslavia.

Relations with the Soviet Union itself are substantially different. In his opinion, the first chance for economic-trade cooperation with the Soviet Union is not necessarily in trade; i.e., export and import. The Soviet Union does not have means of payment and it is difficult for it to export to Israel goods that Israel is not interested in.

Gillerman claims that an attempt should be made at executing joint projects at the current stage. His intention is that Israeli plants enter into partnership with Soviet plants, with the Israeli side providing knowhow and advanced technology. He says that it is possible to obtain international financing for these matters. He notes that these projects are economically worthwhile, in light of the fact that wages in the Soviet Union are very low. The project's objective—the betterment of the Soviet products to a level that will enable their export and sale in Europe or in other markets. The Israelis will receive the proceeds from the sales outside of the Soviet Union, since within the Soviet Union a terrible bureaucracy presides. Everything gets lost there in mountains of papers, piled in a maze of infinite corridors.

Gillerman tells that the Israeli chamber of commerce in Moscow is now attempting, in a joint effort with the all-Soviet chamber of commerce, to locate the areas for implementation of the joint projects.

What has been done up until now is a pioneering project—the establishment of granaries out of sheets of P.V.C., manufactured by the "Ogenplast" plant in Kibbutz Haogen. The results are now beginning to be assessed, the most important of which is the resistance of the sheets in 40 degree below zero cold.

For example, Gillerman notes that if this experiment succeeds, "it could save perestroika and Gorbachev himself." He emphasizes that over 50 percent of the crop

harvests in the Soviet Union are lost due to lack of granaries and means of transportation that will enable the transfer of the crops from the cold areas in which they are grown to the consumer in the large cities. The late Armand Hammer was involved in this deal. Gillerman mentions him favorably as someone who helped the Israeli representatives enter the Soviet Union, both in the political and the economic domains.

If the P.V.C. sheet project succeeds, huge orders are anticipated from the Soviet Union, and not only from it.

"Economic relations with the Soviet Union," he says, "are now 'business for big people,' i.e., multinational corporations and countries of the caliber of the United States, Germany, Japan, France, and perhaps Italy."

The Soviet Union, in his opinion, is too "big" for Israel in the interim. Nonetheless, one must not throw up one's hands. The fact that Israel was one of the first countries to give a hand to "perestroyka" is an asset and goodwill that will be taken into consideration in the future.

And a brief history: In August 1988, Gillerman left for Moscow, to try and break through the "iron curtain" via a proposal to establish chambers of commerce—i.e., a Soviet chamber of commerce in Tel Aviv and an Israeli one in Moscow. The president of the Soviet chamber of commerce, Vladislev Malkavitch, is a senior figure and has great influence in the Soviet Union. He is a personal friend of Gorbachev and was previously the minister of foreign trade.

Since then, ties have been established, becoming progressively closer. The climax was in June 1990, when Malkavitch came to Israel for the opening of the Soviet chamber of commerce in Tel Aviv.

In November 1990, Gillerman left for Moscow at the head of a 30 person delegation which included the heads of the economic corporations. There they met with Soviet finance minister Valentin Pavlov, who was recently appointed prime minister of the Soviet Union; according to Gillerman, he is a friend of Israel's. During the same visit, concrete things were agreed upon which cannot be executed now, because of the difficult situation prevailing there.

The states that once made up the eastern bloc are another story. Gillerman began the contacts with Poland and Hungary via the national chambers of commerce, back in 1986. He emphasizes the differences between the status of the chambers of commerce; there they are governmental, while in Israel they are an independent organization. The heads of the chambers of commerce there are central figures in government. In 1986, the head of Poland's chamber of commerce was Dr. Ricard Krasky, who is now Poland's ambassador to Germany.

Imports from Poland in 1988 amounted to four hundred thousand dollars. In 1990, they had already reached 50 million dollars and within a few years, according to Gillerman, they will reach 100 million dollars. We have

close relations with Poland, which is now functioning as a capitalist country. Joint enterprises have been established in the fields of agriculture, pharmaceuticals, and others.

Israeli exports to Hungary in 1988 amounted to 10 million dollars and in 1990 amounted to 15 million dollars.

In summary, he notes that there are several more countries in the "east" that have been emancipated from the Soviet economic methods. Now they are functioning as market economies, and there is a chance for ties with them in the future.

Academic Sees Kuwait Easing Arab Boycott on Israel

TA3041102A Tel Aviv MA'ARIV in Hebrew 30 Apr 91 p A2

[ITIM Report]

[Text] "In recent weeks, since the royal family's return to Kuwait, the Kuwaitis have eased the Arab boycott on Israel. It is known that they have begun to do business with firms that have trade ties with Israel and even with firms headed by Jews," Professor Mordekhay Abir, of the Hebrew University in Jerusalem, said in a briefing to foreign correspondents.

Prof. Abir, a world expert on Saudi and Gulf affairs, said that the Saudis promised the Americans to act to have the Arab boycott on Israel canceled in exchange for a positive Israeli declaration on the status of the Temple Mount and a display of sensitivity about the Palestinians.

He said it was known before the war that the scope of trade between Israel and the Gulf states was to the tune of several hundred million dollars and that the countries trading with Israel indirectly included Kuwait and Saudi Arabia. He added that Saudi Arabia knowingly received from the United States arms, especially in aircraft and air defenses, which included Israeli components.

He explained Saudi Arabia's refusal to participate in a regional conference: "Saudi Arabia is based on an oligarchy and is not totalitarian as is mistakenly believed. The golden rule is that agreement and total consensus must be achieved in all cases and the royal family requires the legitimization of the religious leaders, who reject Israel's existence."

Leader Interviewed on Settler Politics

91AE0388A Tel Aviv HADASHOT in Hebrew 23 Apr 91 p 23

[Interview with Shmu'el Zeivald, mayor of the town of Emanuel, by Avi Ratzon, place and date not given]

[Text] [Ratzon] Mr. Zeivald, I walked around Emanuel a little, and did not see television antennas.

[Zeivald] Because we do not have television sets.

[Ratzon] At all?

[Zeivald] Perhaps. In all of Emanuel, there are 20 television sets.

[Ratzon] How did those 20 television sets sneak in?

[Zeivald] The strictly Orthodox community does not accept that machine. We have a diversified population here, Modern Orthodox, Oriental, whose children also learn in our school or in Yakir. Some of them have television sets.

[Ratzon] When did you last watch television?

[Zeivald] A little after the Yom Kippur War.

[Ratzon] Did you know that Yisra'el Segal from the television was coming to Emanuel?

[Zeivald] I did not know and the fact that I did not know suggests that he intended to surprise us, and I do not look positively on what he did to us.

[Ratzon] What did he do to you?

[Zeivald] He came in and slandered the place. I intend to bring him and the television to court. What is this, where a fellow comes into the settlement at 1045 and at 1115 he is already gone? He photographs two or three people walking and exposes the whole community to humiliation.

[Ratzon] Do you know that Yisra'el Segal comes from a strictly Orthodox home?

[Zeivald] I know that. One who has learned and dropped out is sometimes worse. This is the injustice he has done to us.

[Ratzon] How do you know that an injustice has been done? You have no television set!

[Zeivald] Those who watched told me. I want to tell you something more about this matter of the siren: That he took pictures and walked around with his men, that is alright. He and the television are exempted from standing during the siren.

[Ratzon] You, personally, Mr. Zeivald, do you stand at attention during the siren?

[Zeivald] Definitely. Even in the middle of Ramallah on Holocaust Day. I pulled to a stop in the middle of the road and stood at attention.

[Ratzon] Did you serve in the army?

[Zeivald] No, I did not.

[Ratzon] Why?

[Zeivald] I was a Yeshiva student. I preferred the option of continuing to study.

[Ratzon] Mr. Zeivald, what about the argument that standing at attention during the siren is a gentile custom?

[Zeivald] It actually is a gentile custom, but if it has become rooted among us and is honored, there is even a sacrilege here. When a person who does believe in standing at attention stands, and this is deeply meaningful to him, and he sees a strictly observant Jew, with ritual fringes, ignore the siren and continue to walk, to me that is a sacrilege.

[Ratzon] Sacrilege? As much as that?

[Zeivald] Definitely. Because that person who stands, may not know, for example, that he should, or can, say Kaddish, too.

[Ratzon] Who activates the siren in Emanuel?

[Zeivald] We do, from the next room. I will tell you as well, that through all the years, we have even read chapters of the Mishna over the loudspeakers.

[Ratzon] Mr. Zeivald, how do you relate to the flag and the anthem?

[Zeivald] What does that mean, "How do I relate?"

[Ratzon] If you took part in a state ceremony and they played the national anthem, would you sing the words?

[Zeivald] Certainly. On the eve of Independence Day, we had a festive meal in the synagogue. I appeared, gave a speech, we prayed.

[Ratzon] At that festive meal, did you sing the anthem?

[Zeivald] There was no anthem, but all the other Independence Day customs, yes.

[Ratzon] And the flag?

[Zeivald] The flag symbolizes the People of Israel. It is the symbol of the State. The Jews who left Egypt also went with flags.

[Ratzon] I do not know why, Mr. Zeivald, but the words sound to me like apology and sorrow after the revelation on television?

[Zeivald] It may be that it does actually seem and sound as though we are apologizing. I cannot collect the entire Jewish people and explain to them why, for example, Mishnas and Torah study and Kaddish are more important than standing at attention. By the way, go to Mea She'arim. There they will throw rocks at you, too. But that, we do not do.

[Ratzon] By the way, have you spoken to those people who did not stand at attention during the siren?

[Zeivald] I spoke with one of them.

[Ratzon] What did he say to you?

[Zeivald] I said that we need to do some soul-searching.

[Ratzon] What did he say?

[Zeivald] He did not exactly say anything. I spoke to him, you know, he did not pay attention to the siren and kept walking.

[Ratzon] Mr. Zeivald, in the region they are beginning to speak about peace. Where do you all stand?

[Zeivald] We will see what they cook up, then we will know what stand to take.

[Ratzon] Have you no clear opinion?

[Zeivald] Are you talking about returning territories?

[Ratzon] I am asking.

[Zeivald] God forbid. We do not believe that they will return Emanuel.

[Ratzon] Would you oppose that?

[Zeivald] We would oppose it at any price.

[Ratzon] If they forcibly remove you?

[Zeivald] You tell me. After the way they showed us on the media, is Husayn going to want Emanuel?

[Ratzon] He will want Emanuel without its inhabitants.

[Zeivald] I do not believe that there will ever be peace with the Arabs. A gentile cannot be trusted even after 40 years in the grave.

[Ratzon] What would be your personal stand if you were confronted by someone who wanted to turn out Emanuel's inhabitants?

[Zeivald] We are Jews who walk in the path of the Torah. We would turn to the Rabbis. We would turn to the Council of Torah Sages.

[Ratzon] And if they direct you to leave?

[Zeivald] We would not hesitate to leave. But if anyone asks me, I will say that there will never be peace with the Arabs.

[Ratzon] Do you hate the Arabs?

[Zeivald] They hate me.

[Ratzon] What is the leisure culture like here in Emanuel?

[Zeivald] What does leisure culture mean to you?

[Ratzon] Theater, movies, a party, a discotheque, soccer, a book.

[Zeivald] To all these things and places you go, we could go too. We have no interest in those things. All the regional and city councils do finance the things you mentioned. Here, if I want to provide something extra for the Yeshiva students, I add an evening lesson. The

money that other city councils invest in what you call leisure culture, I invest in education, beginning already at the earliest ages.

[Ratzon] And what about the women?

[Zeivald] For the women it is another story. They have ceramics circles, sewing, painting, dancing.

[Ratzon] Dancing?

[Zeivald] Yes. Dancing.

[Ratzon] They dance together?

[Zeivald] They dance. There is a special teacher in the evening. The husbands want their wives to go out a little. There is an orchestra. And the men go to Kollel (Yeshiva for married men).

[Ratzon] Are there movies?

[Zeivald] Yes. For the women.

[Ratzon] Which movies?

[Zeivald] About Jerusalem, educational movies.

[Ratzon] Have you heard of the movie "Dancing with Wolves?" "Green Card?"

[Zeivald] I have not heard and I do not want to hear. And may we not know from sorrows.

[Ratzon] Did you hear about Tzahi HaNegbi suggesting that your allocations be cut off?

[Zeivald] I suggest to him that he cut off allocations to those cities that open cafes on the eve of Memorial Day. What happens when the Tenth of Tammuz comes around? That is actually the national day of mourning for the destruction of Jerusalem. Who remembers it? Who keeps it? Only we do. The tenth of Tevet is the day of general Kaddish for the army fallen whose place of burial is not known. Is there someone from among the nonreligious who remembers or knows this? Nobody. Except for the ceremony that takes place in Jerusalem.

[Ratzon] Major General Zore'a suggested taking your passports away.

[Zeivald] This is what is disturbing about all this business. He comes and says that we belittle Memorial Day. What does that mean, we belittle?

[Ratzon] He is a father who has lost two of his sons.

[Zeivald] We feel it more than he does. This is what is disturbing. About this I disagree. After all this talking, is this the conclusion, that we belittle? Who worries about burying the dead and matters like that? Who fasts on the tenth of Tevet? Only the religious.

[Ratzon] Mr. Zeivald, are you a Zionist? [Zeivald] I am the true Zionist.

[Ratzon] I really meant the Zionism of Herzl.

[Zeivald] If you are going to talk about it, then our father Abraham was really the first Zionist. It was he to whom it was said concerning the land, "Arise, walk through the land in the length of it and in the breadth of it."

[Ratzon] Mr. Zeivald, did you hear about the proposal not to pay national insurance to someone who has not served in the army.

[Zeivald] I heard about the proposal. The question is whether it will be acted on. Today, I believe, there are more secular Jews who do not go to the army than strictly Orthodox Jews.

[Ratzon] Are you talking about today?

[Zeivald] I am talking about all through the years.

[Ratzon] Your father served in the army, you did not. What about your sons?

[Zeivald] I will not force them to go. But if my sons want to go, I will not prevent them.

[Ratzon] Does it bother you that you did not enlist?

[Zeivald] It bothers me in some way.

[Ratzon] In what way exactly?

[Zeivald] I come among people and I feel that this is missing for me.

[Ratzon] Why have you not asked to enlist?

[Zeivald] You would be amazed. I have asked.

[Ratzon] What was the answer?

[Zeivald] That they do not need a father of eight children.

[Ratzon] Volunteer.

[Zeivald] I have. I am carrying on a running correspondence with the army authorities.

[Ratzon] How do you think it will turn out?

[Zeivald] It does not seem to me that they will take me.

[Ratzon] You too would like to tell about some ambush you lie in wait?

[Zeivald] Yes.

[Ratzon] Is one of you who has served in the army considered a little more than the others?

[Zeivald] There are among us patriots greater than they.

[Ratzon] Who?

[Zeivald] Those who set ambushes for verses of the Mishna and for Torah.

[Ratzon] If somebody, during an election, showed you the calling card of a military man, would that add to his attraction?

[Zeivald] I did not serve and I beat the representative of Shas (Sephardic Torah Guardians) who was a pilot in the army and also headed the council before me.

[Ratzon] Mr. Zeivald, tomorrow I want to build a house in Emanuel, will you accept me?

[Zeivald] We will accept you, but after a week you will leave, because you will have nothing to do here. You know, movies, soccer, etc. But if you want to adopt our way of life, then you are welcome, and may you remain here.

[Ratzon] Did you hear about Maccabi's loss to Barcelona in the finals?

[Zeivald] Thank you very much, but leave me out of things like that. I have enough troubles of my own.

Soviet Immigrants Turning to Religion

91AE0378A Tel Aviv HA'ARETZ in Hebrew 15 April 91 p 4

[Article by Nili Mendler: "Nonreligious Immigrants Asked Within a Short Time To Wear Skullcaps and To Pray"]

[Text] "The children who immigrated from the Soviet Union and were absorbed in the state religious schools in Israel, although they are not religious, are asked to wear skullcaps on their heads within a very short period of time and participate in the prayers held in the school," reported the director of the State Religious Education Division, Matti Dagan, to the principals of the state religious schools in an internal memo that he sent to them. According to the memo, more than 3,000 children from the Soviet Union have been absorbed into the state religious schools.

Dagan's memo emphasizes that most of the children arrive in Israel without a religious background. Principals and teachers reported that the children participate in the prayers held in the schools, and show great interest in the many lessons in Judaism.

The branch director claimed in the memo that after a very short period of time these children express an optimistic approach toward their incorporation into the religious education [system], and declare their joy that they were given the opportunity to receive this education. He claims that the pupils explain that religious education emphasizes the new Jewish meaning that has been added to their lives.

Dagan claimed that "there are those who spread falsehoods to the immigrants from the Soviet Union about the religious education system, and said that it is on a low level and that it is not possible to acquire a matriculation certificate in its institutions and to continue to

study in the institutes of higher learning." Therefore, he advises the principals "to be aware of these rumors, to deny them, and to emphasize the true statistics."

He emphasized that the doing away of prejudice regarding the state religious branch of education must be applied not only to those who have already immigrated to Israel from the Soviet Union, but also to those about to immigrate. Dagan expressed his confidence that if this is done, the flow of immigrant pupils to the state religious education system will increase.

In his letter, the division director instructed the principals and the teachers to draw the nonreligious parents, as well as the children from the Soviet Union, closer to religion and the principles of national religious Zionism. He recommended that the teachers and principals be pioneers in their schools in adopting immigrant families and assisting them in finding an apartment, in contacts with the institutions overseeing their absorption, and in finding employment for them.

Dagan recommended that lounges for science study be opened in the state religious schools in the afternoon hours for the immigrant pupils. He emphasized that these lounges should be open to children who chose to study in the morning in the state schools, as well.

The Chief Rabbinate emphasized, according to the division director, "the spiritual problems of the immigrants who came from a place in which there was no foundation for Jewish life, from ritual circumcision and prayer to observing the commandments and the religion." He further claimed that the Chief Rabbinate had called upon yeshiva graduates to volunteer one day a month for the "holy work of the spiritual absorption of the immigrants." He quoted the call of the Chief Rabbinate to the Ministry of Education "to establish in every state school a club for the learning of Torah and tradition in order to give the immigrant youth from Russia what they are lacking."

It was noted in the memo that the state religious education system is not hesitant to absorb the immigrants from the Soviet Union, despite the fact that they are completely nonreligious, on the condition that they be willing to accept the religious education and its demands within the framework of the school. He called upon the educators to draw these children closer to religion and whose "knowledge of Judaism is less than that of any nonreligious pupil in the general educational system."

Ethiopian Immigrants Double in May

TA2751732 Tel Aviv MA'ARIV in Hebrew 27 May 91 p 8

[Text] Staffers report that, according to the figures of the Ministry of Absorption, the immigrants from Ethiopia doubled the amount of immigrants [who arrived] during the month of May.

Since the beginning of the month, 28,718 immigrants have arrived in Israel—including some 15,500 from

Ethiopia and about 12,900 from the Soviet Union. The 14,400 immigrants who arrived in Israel from Ethiopia over the weekend, within the framework of "Operation Solomon," doubled the number of immigrants that arrived in Israel since the beginning of the month. Since the beginning of the year, 84,000 immigrants have arrived in Israel—including approximately 63,000 from the Soviet Union and some 18,000 from Ethiopia.

2,500 Muslims To Be Allowed To Go On Pilgrimage to Mecca

TA1651405A Tel Aviv DAVAR in Hebrew 16 May 91 p 2

[Report from Nazareth by Muhammad Khalilah]

[Text] The cabinet, through an interministerial committee made up of officials from the Prime Ministers' Office, the Attorney General's office, and the Interior and Religious Affairs Ministries, has decided to allow 2,500 Israeli Muslims to make the pilgrimage to Mecca this year.

The figure was set by Saudi and Jordanian authorities. The pilgrimage will take place in approximately two weeks, and the representatives of the Mecca Pilgrims Association were given the opportunity to list, on special forms supplied by the Interior Ministry, the names of those interested in fulfilling this religious tenet. Registration will end next Monday afternoon, when the representatives of the Association come to Jerusalem to hand the forms to the Interior Ministry for approval.

This year it was decided to allow those who have never before gone on a pilgrimage to enjoy that right. The Jordanian ministry in charge of the Israeli pilgrims has reported that Israeli pilgrims will this year be allowed to go to Saudi Arabia by air from Amman Airport. The other pilgrims will be guaranteed transportation in new, air-conditioned buses.

Immigrant Absorption Plans for Negev

TA1751642A Tel Aviv MA'ARIV in Hebrew 17 May 91 p 1

[Text] Within two years direct absorption will be canceled. The first trial of planned absorption of new immigrants will soon be carried out in the Negev. MA'ARIV has found that in the first stage, some 8,000 immigrants will be directed to the Negev. They will reside in Beersheba and in development towns in the South and will be employed in industrial parks to be built in the Beersheba area as part of the "Negev Silicon" plan. It mainly involves science-based industry in the fields of electronics, chemistry, and computers. Some of the immigrants will be employed in medical and tourist services in the Arad and Dead Sea areas. The Finance Ministry is emphasizing that after the Negev trial project

is crowned with success, direct absorption will be gradually eliminated within two years. The decision to switch to planned absorption came after it became clear that in the direct absorption method, the South attracted only 6.3 percent of the immigrants. The reason: the severe shortage of jobs; the North drew 32 percent of the immigrants. The imbalance between employment, construction, and absorption led Finances Minister Yitzhaq Moda'i to decide to drop direct absorption and switch to planned absorption.

Plan To Expand Jewish Population of Territories to 850,000

TA1550434A *Jerusalem QOL YISRA'EL in English*
0400 GMT 15 May 91

[Excerpt] [passage omitted covered in referent item] A Qol Yisra'el reporter says the Jewish Agency is about to initiate a drive to expand settlements under its jurisdiction in the territories. Jewish Agency sources say the expansion, which has been approved by the government, envisions the Jewish population of the territories growing to 850,000.

Plans To Attract Muslim Tourism

91AE0381A *Tel Aviv MA'ARIV in Hebrew (Weekend Supplement)* 26 Apr 91 pp 22-24

[Article by Nili Shahaq Bufman: "The Muslims Are Coming"]

[Text]

The Amazing Tourist Plan of Ya'aqov Nimrodi, Me'ir Qaplan and 'Adnan Hashogi.

Five years ago Mike Qaplan, retired police officer, thought that if he could succeed in diverting to Israel ten percent of the stream of pilgrims to Mecca, a lot of people here would be well off. Ya'aqov Nimrodi agreed with him and, what is very important, so did the Saudi billionaire 'Adnan Hashogi. Now "Islamica Tours" is set to take off. If it works, throngs of Muslims will soon arrive here without knives, [but] with dollars. A vision.

Last week the phone rang in Ya'aqov Nimrodi's white house in Savyon. On the other end was none other than the Saudi billionaire 'Adnan Hashogi. Hashogi, whose friendship with the Israeli businessman has been public knowledge for a long time now, announced festively in a call from New York that the senior Saudi element, from whom he had been awaiting word for a long time, had given his O.K., and the joint deal could move forward. In order to lend credence to what he said, Hashogi added, before he hung up the receiver in his Manhattan apartment, that he was putting a million dollars into the deal.

Hashogi's telephone announcement concluded an exhausting process of intercession that had lasted five years and moved forward the implementation of the revolutionary idea espoused by retired police officer, deputy commander Mike Qaplan.

That was that, and "Islamica Tours" was off and running. Here, apparently, was also the start of the journey of many Muslims to Israel, and not to throw the Jews into the sea. They still do not know about that.

According to Qaplan's vision, every year tens, perhaps hundreds, of thousands of Muslim pilgrims will arrive in Israel and—with the help of Allah, Hashogi and Nimrodi—will visit the Islamic holy places in Israel. They will come in organized groups and will thereby complete a package deal that begins with the holy rock, the Ka'aba in Mecca and ends with prayer on the Temple Mount. That is the plan.

King Fahd of Saudi Arabia will not come to cut the ribbon at the opening of the Jerusalem-Muslim world line. That does not bother them. Without celebration and without ceremony technicians are now working diligently to set up the Telex and Fax systems in the new company's offices in an apartment adjacent to Nimrodi's villa on Har Dafna Street in Savyon.

From there the tours will be organized, from there groups of Indonesians will be united with groups of Malaysians into a long trip over half the globe.

The "Islamica" tourist channel was set to open some three and a half years ago. The programs were ready, along with the authorization of the Israeli Government. But then the intifadah broke out and the deal was put on hold. No one believed that against the background of violence and the air of mounting suspicion there was any point in trying to start a venture of bringing Muslim tourists to Israel.

Now "the time is ripe," says Nimrodi and Qaplan agrees with him. The end of the Gulf war and Baker's visit to the area have made them optimistic. Who knows, maybe businessmen read the political map better than the politicians and the worried media.

Nimrodi, in any case, is not immediately going to crack the hard objectives. In seeking markets for "Islamica's" tour packages, he is not going to talk to the Ayatollas in Tehran.

For starters he left two months ago for the Soviet Union, where the largest Muslim minority in the world lives, and returned with a tourism agreement signed by the Soviet Government of the Republic of Azerbaijan. Those of little faith might point out the lack of cash that characterizes the populations in this part of the world, but for Nimrodi it is important to exploit the momentum of the open Soviet gates to prove that the thesis works and that the Muslims will come.

Apart from that he is making vigorous contact to purchase two hotels in Jerusalem: the "Hyatt" on Mount Scopus and the "Seven Bows" (formerly the "Intercontinental") on the Mount of Olives. There has to be a place to house the throngs. You get the impression that Nimrodi is simply buying everything.

Nimrodi and Hashogi are involved in the project as financing partners, but as we said, behind the idea stands retired deputy commander Me'ir Mike Qaplan. He was for years the head of the CID, was head of an R&D unit in the Israeli police force and served as its permanent representative on Interpol committees.

Qaplan's plan is based on bringing 10 percent of the million Haj's who visit Mecca and Medina each year. In that case, he says, "we will be well off." Apart from that Qaplan intends to set up an Islamic memento market, to develop insurance plans for pilgrims and also accompanying medical tourism.

According to him the added value from this program, in addition to foreign capital income, is the opportunity for improving Israel's international image and developing broad commercial ties with the countries of the Islamic world even before speaking to them about diplomatic ties.

"By means of this program," says Qaplan, "we can break down the animosity of the non-Arab Muslim countries and neutralize their incentive for coming to Jerusalem by way of a war of Jihad."

Qaplan, 65, an American Jew, arrived in Israel in 1949 when he was 23. He is married to Sarah-Sylvia. The Israeli police force was four years old when he joined its ranks as a new immigrant with an M.A. in philosophy from Columbia University.

Mike and Sarah Qaplan, both from well-off homes, were very much affected by news of the Holocaust and the suffering of the survivors and decided to contribute their part to the State of Israel. In 1947 they left the United States for France and served as teachers in a youth immigration school. Together with their students, orphans of the Holocaust, they arrived later in Israel on the illegal immigrant ship Pan York.

Mike held a stipend to study philosophy at the Hebrew University in Jerusalem. But because of the war, he joined the religious kibbutz Yavne and shortly thereafter enlisted in the Israeli police force. In order to prepare himself for his job with the police, he returned, at his own expense, for studies in the United States and through consultation with then General Director Yehezq'el Sahar, enrolled for studies in criminology at New York University and majored in criminal investigation techniques. Upon completion of his studies he joined the Los Angeles Police Department where he continued with practical follow-up, gathered experience and, in 1952, returned to Israel and began his service as investigations officer.

He was among those who set up the CID, the Criminal Identification Department, and for years was head of the police department's R&D unit. Among his outstanding accomplishments: organizing a roster of identification technicians throughout the country and introducing the

use of the polygraph and hypnosis as a practical technique in the course of investigations. He was also responsible for the positive identification of Adolph Eichmann.

Qaplan never dreamed of getting involved in tourism. He certainly did not think that after his retirement from police service he would spend his day running between government offices and lobbying politicians. Not that he is complaining, but for a thoughtful, introvertish type like him, he admits it was not easy.

The whole idea of Muslim tourism, says Qaplan, who defines himself as a Jew who keeps the tradition, began because of kosher food.

That was in 1986. While he was attending an Interpol conference in Panama City, he went one day to the airline office to reserve a seat to New York. "I asked them to order kosher food for me. Next to me stood the chief of police from a large and important Muslim country. I will not say which one. When he heard my request, he approached me and was interested to know what kind of special food I ordered. I told him, and it suited him just fine as an orthodox Muslim. Immediately, in my presence, he ordered the same service, and from then on, we made sure to look each other up at Interpol conferences. We became a kind of inseparable pair that visited all the kosher restaurants in those cities where the international police held its conferences. As early as that first conversation, about kosher food, we turned to questions of belief and religion.

"He told me that the Muslim world had a grudge against the Jews for not letting them pray freely on the Temple Mount. 'We are not Arabs and we are not Palestinians,' he told me, 'we are Muslims. Why do you deny us that right?'"

I did not know there was such a prohibition. The conversations with him planted within me the desire to look into the issue. I felt that if it was true we were really missing something since if the State of Israel did not take into account the religious needs of hundreds of millions of Muslims in the world and the religious bond that could be created between them and us, it was making a mistake.

I checked it out with the security authorities and received a simple answer: 'No problem.' They said they would give a green light to the entry of Muslim tourism to Israel."

At that stage of the idea's first incarnation, Qaplan was still in police service. He gathered together two partners, Dr. Jay Levinson, his friend, a policeman who still works in CID, and Dr. 'Ila'i 'Alon, a lecturer on Islam at the University of Tel Aviv. The police leadership did not look favorably on having their people involved in business, even if that business had to do with a vision. Dr. Levinson was asked by his commanders to decide between police work and business. Levinson chose police work and remained in uniform. Qaplan, who was then on an unpaid sabbatical, got a release from the Minister

of Police at the time, Ha'im Barlev, to work on the Islamic business, even on his leave of absence.

The remaining partners, 'Alon and Qaplan, went to the United States to set up the firm "Islamica Tours" and registered it in the state of Delaware. They returned to Israel and began running around among the various officials in the ministries of the interior, foreign affairs, defense and tourism here.

Qaplan remembers that he met with the following people: Professor Yosef Ginat, who was General Director in the office of 'Ezer Weizmann, then Minister of Arab Affairs; with the General Director of the Foreign Ministry at the time, 'Avraham Tamir; with Nimrod Noviq, who was an aide to the rotational foreign minister, Shim'on Peres; with Moshe Shahal, then Minister; with people from the Prime Minister's office, Yosi ben 'Aharon, 'Eli Rubinshteyn, 'Amos Rubin and 'Arye Maqel; with the Minister of Tourism at the time, 'Avraham Sharir; with the present Minister of Tourism, Gid'on Pat; with heads of the Interior Ministry; with the Coordinator for Activities in the Territories, Shmu'el Goren; with 'Efra'im Sneh, then Commander of Judea and Samaria; with the Egyptian Minister of Tourism, who was visiting in Israel; with 'Ariq Sharon, Dan Meridor, 'Ehud 'Olmert, Roni Milo; and with a whole slew of people from the security service.

Following these contacts, Qaplan was invited to a particular Arab country. Despite the authorization he received from the security elements, it was precisely the Israeli police department that prevented him from going. They claimed he knew so many secrets that it would jeopardize state security.

The Foreign Ministry of Shim'on Peres tried to appeal that decision and bring the matter up for discussion to the Prime Minister. Qaplan was invited to a preliminary discussion with Yosi ben 'Aharon. According to Qaplan, ben-'Aharon was not overly enthusiastic about the plan. Despite his opposition, Qaplan and his partners met with Shamir. The Prime Minister listened and was not persuaded to authorize the trip. His agreement arrived only at a later stage.

At that same stage, Qaplan presented his plan to Nimrodi. The two had met years before when they cooperated in an effort to get information about the missing soldier Zekharia Baumel. Qaplan presented his plan to Nimrodi. Nimrodi thought well of it and immediately placed at his disposal monies to finance his trips abroad, as well as his good connections in the world. That meant 'Adnan Hashogi.

"A meeting was arranged for me and Nimrodi with Hashogi in England," Qaplan relates. "I presented the plan to him. He was enthusiastic and said that he was interested in participating as an investor. He spoke of a sum of about a million dollars and stressed the importance of having an Arab partner in the company so as to facilitate the contacts with government elements in Muslim countries that have no ties with Israel."

The billionaire suggested that their first action be to look into the possibilities of flying with an Arab airline and arranged for Qaplan to meet 'Ali Gandur, the president of 'Aliya, the royal Jordanian airline. Gandur was then considered a very close confidant of Husayn. Today, by the way, he serves as his adviser.

[Qaplan] The meeting with Gandur was arranged in the 'Intercontinental' hotel in London. The Jordanian demanded to know in whose name I was acting and asked me for the authorization of the head of the Israeli government. In those days of the 'London plan' the Arabs had come to learn that even the promise of the Israeli foreign minister was not enough.

That explicit request again caused Qaplan to try to contact the Prime Minister. At that point there entered the picture a young man named Sha'ul Biterman, a Likud activist from the Shamir camp and a friend of Roni Milo'. Biterman, whose most official title was "confidant," [and who] succeeded in moving the system toward the indefatigable entrepreneur. Milo', then Deputy Minister in the Prime Minister's office, met with Qaplan at Biterman's request, examined the plan, was impressed and managed to persuade Shamir to reconsider his decision.

[Milo'] Even though there was no formal authorization for the plan, the Prime Minister authorized it, and the Prime Minister's agreement was passed along to Qaplan through me. Shamir gave the green light to carry out the project.

Then when everything was ready, including the prospectus, an economic overview and arrangement for travel and lodging, the intifadah began and ruined everything for Qaplan and his partners.

The disappointed Qaplan began to fill his free time in conversations with various people about the future project, traveled to all kinds of conferences on tourism issues and waited for better times. This week it happened.

[Bufman] When you come to think about it, even today no one prevents Muslims who want to pray at Al Aqsa from doing so. What do they really need you for?

[Moshe Qaplan] The facts are that Muslims are looking for any possible way to get here. This is a fact that proves there is a market for this thing. Today they arrive on their own personal initiative, without a framework to make the process easier. Up until now it was impossible for them to arrive in groups that integrate a visit to Saudi Arabia with a visit to Jerusalem, and up until now there have been no procedures for obtaining entry visas efficiently and quickly.

[Bufman] Let us be realistic. What Muslim who has it all together could agree to come to Israel today and not be considered a collaborator?

[Qaplan] It is impossible to ignore that problem, but it can be solved only with a very careful approach that

takes into account respect for religion and religious and political sensitivities. It is true that with an act such as this we will not solve the political problems. The question of control of Jerusalem is very substantive after all, both for us and for them, but in order to arrive at a solution you have to get close to the problem; and if that can be done through pilgrimage, it should not be rejected. There is a response to our program on the part of the Muslims, and we know that through the tour organizers in the Islamic and Arab countries.

[Bufman] Are you not afraid that Palestinian elements will try to sabotage your business?

[Qaplan] The Palestinians would not dare oppose Muslims who want to pray at Al Aqsa.

[Bufman] You are set to bring tens of thousands of Muslims a year to Israel. Opposition to the program might come from Jews, people of the right.

[Qaplan] I do not expect real opposition from Jewish extremists to this program. After all, they do not bother Christian pilgrims, so there is no reason for them to do so to Muslims.

[Rehov'am Ze'evi, Minister without portfolio] I am not familiar with the program and have not heard about it, but every tourist who comes to Israel is only for the good. He brings money into the country, drives the wheels of the economy and helps tourism. If Muslim tourists want to come and pray here, Ahlan wasahlan, on condition that they not turn it into a security problem, and I am sure that there are those who will see to that. More than once I myself helped my best friends, Arab Israelis, travel and pray in Mecca.

[Faysal al Husayni, Vice Chairman of the Supreme Muslim Council and representative of the Palestinians in the territories] Before we talk about Muslim tourists coming to visit the Al Aqsa mosque, we first want to know when they will let the Palestinians come.

[Bufman] Would you undertake counteraction?

[al Husayni] I am not saying that, but before all of them and first of all let there be freedom of movement for the man from Nablus and the Arabs from the West Bank and Gaza and afterward for those who come from abroad.

[Gershon Solomon, Chairman of the Temple Mount Loyalists Movement] Muslims will come to the Temple Mount? I am amazed. That is a disaster for the future of Jerusalem and for the entire Land of Israel. I consider it a very serious matter that Jews are organizing such a thing. They are selling the most important value of the Jewish people for money. The Temple Mount is closed to Jews, it is taboo for them, and they are not allowed to go up and pray. They arrest them and prosecute them. And here they come and bring masses of Muslim tourists with the blessing and encouragement of the government. It is unbelievable that we are destroying our future with our own hands. This government is in ethical crisis and this is the peak. To me this is the bankruptcy of Zionism.

It is a crime against Zionism and against the history of the Jewish people whom we are selling for money. No foreign currency can be a consideration here against our priceless holy values. I do not yet know what form our opposition will take, but clearly such a calamity cannot be ignored.

[Avi Fridman, owner of the Dizenhoiz travel agency and chairman of the Bureau of Travel Organizers in Israel] We give the idea our blessing. I will be happy if this dream comes true because it would be an unusual breakthrough. I have no doubt that if such tourism comes to Israel, it would be on a mutual basis, and if it is possible, there will be Israeli companies that will want to get into this field.

[Yosi Shoval, spokesman for the Ministry of Tourism (Minister Gid'on Pat is abroad)] The Ministry of Tourism gives its blessing to any idea and plan that advances tourism, including the bringing of Muslim tourism to Israel. In the final analysis, Israel is a country holy to three religions. Even today there is a Muslim tourist movement to Israel, and it is no secret that they get here with various identity papers or on passports with special arrangements.

Thousands of Empty Houses in Territories 'Propaganda' *TA1450956A Tel Aviv DAVAR in Hebrew 14 May 91 p 1*

[Report by immigration affairs correspondent Natan Ro'i]

[Text] Thousands of houses, large and small mobile homes, and prefabricated homes, which have been mounted in Judaea and Samaria settlements, remain uninhabited and are, in fact, dummy settlements. This is one of the findings of a study done by the settlement department of the World Zionist Federation.

Yehi'el Leqet, chairman of the settlement department, says that many of the planned houses, as well as those already mounted, are completely bare, and were, in fact, placed there for purposes of Gush Emunim propaganda.

The settlement department's study notes that out of the 20,097 buildings planned for 94 settlements in Judaea and Samaria, only 4,188 units are inhabited. In this context, the construction of public buildings in the territories with Construction and Housing Ministry's aid is particularly striking.

An internal document of the Construction and Housing Ministry's planning department reveals that 33 percent of the building starts of public buildings in 1990 were in the territories: 5,227 square meters out of 14,951 square meters built throughout the country. In the first quarter of 1991, there were building starts totaling 660 square meters, as compared with 5,671 square meters started throughout the country. A similar percent of building completion was recorded in the first quarter of 1991.

Security Concerns, Water in Golan Discussed

91AE0381C Tel Aviv HAYARDEN in Hebrew 12 Apr 91
pp 1, 33

[Article by Moshe Shavit: "The Golan Controls Most of the Country's Water Sources and Constitutes an Early Warning Buffer Zone"]

[Text] It must be remembered that from the point of view of the history of settlement on the Golan Heights, it is the oldest of the territories captured in the Six-Day War. The first settlement nucleus of Marom Hagolan, in its former incarnation, went up onto the land less than a year after the conquest, at first in a "wild" settlement by members of the communities in the Upper Galilee, but with the authorization of the settlement institutions.

Afterward additional settlers came who turned the entire Heights into a fertile garden—and every real Zionist knows very well that the settlement came first. Preceding the return to Zion in our generation were the very first settlers, even before the "First Wave of Immigration"—and David ben Gurion saw fit to grant the title of "first" to the builders of Miqve Israel and the members of the old community from Safed and Jerusalem who ventured beyond their walls to build Rosh Pina and Petah Tiqva.

True, that is forgotten today when people continually argue that settlement "served" and has to serve Israel's policy and defense. Those settlements are not the means to an end, they are the end and purpose in themselves.

Me'ir Monitz is the acting regional council head of Qatzrin, a very energetic man who sees the Golan Heights as an inseparable part of the State of Israel. He stressed that lately we are witness to increasing discussion about a "new order" to be established in the Middle East in the wake of the Gulf war and the crushing of the power of the dictator Saddam Husayn. Those discussions are resulting in public pronouncements of a worrisome tone on the part of ministers and Knesset members who define the Golan, at times by allusion, as a bargaining chip in the framework of negotiations with our hostile neighbor to the north—Syria.

Me'ir Monitz asserts that negotiations of any sort about the Golan Heights must not even be considered. Today more than eleven thousand Jews live in the Golan, it is our home, here our children were born and are growing up—and one does not negotiate over one's home.

Me'ir Monitz is a very active man who works day and night to persuade people to give up any attempt at negotiations over the Golan Heights, and he emphasizes that it should be inconceivable that an Israeli Government would repeat the mistake of Yamit.

It must be remembered that the Golan Heights, up until the 1967 war, was a large Syrian military camp that watched with hopeless yearning and with arms that tried to destroy life in the northern settlements. The Golan Heights were captured because of the continuous Syrian aggression and the need to remove the threat and not

because we coveted "her treasure or her oil fields." Many of our best sons fell in this war. The Golan settlers turned the Heights from desolation into a fertile area. Thirty-three model settlements, industry, agriculture, and children have made the place into an area of peace. Beyond that we must remember that the Golan sits on the main water sources, the country's lifeblood—says our interlocutor, Me'ir Monitz.

As we continue the interview, Me'ir Monitz tells us that the Golan is a strategic ridge, a warning buffer and defense against surprise attack, which we have also experienced with our own skin.

There is also some history here. In Qatzrin a large Jewish village was unearthed from the time of the Talmud. In the Golan and in Qatzrin more than 20 ruins of ancient synagogues have been discovered, so that we have simply returned.

As for the Syrians, we have to remember whom we are talking about—about a large and glorious democracy? We are talking about a lone dictator and the decisions of a dictator, and the entire world's memory is still fresh about this kind of regime.

We who came here on a mission are ready for the additional challenge of forging a peaceful coexistence with the Syrian part of the Golan, but, unfortunately, what we hear from our "partner" is "strategic balance," improved Scuds and support for terror.

There is still no light at the end of the Syrian tunnel. We residents of the Golan and the residents of the entire northern part of the country who remember better than we the horrors of the Syrian regime, do not intend to commit suicide. We rely on the Government of Israel and Prime Minister Shamir, who is firm and committed in his belief on this matter.

Unfortunately, there are also those who break ranks among our friends in the Likud. The pronouncements and positions on the subject of the Golan by MK Rubi Rivlin—who discounts the importance of the place, its settlers and their work and Jewish history in the Golan, which he compares to other synagogues in New York—are very distressing to me.

From the Golan we will continue to keep the eyes of our leaders open and strengthen our government in its firms stand.

State Confiscating 'National Lands'

91AE0378B Tel Aviv HA'ARETZ in Hebrew 4 Apr 91 p 2B

[Article by Danny Rubenstein: "Letters of Warning to the Farmers of Bal'in"]

[Text] On 15 January, the day when all eyes were turned to the commencement of the war in the Gulf, mukhtars from the small village of Bal'in, west of Ramallah, received an order signed by Menahem Haïke, the official

in charge of state property in Judaea and Samaria. In the order, he declares that an area of 780 dunams bordering the village is state land. Another 125 dunams were added to this area in an additional order dated 25 February. The mukhtars rushed to photocopy the orders and to distribute them to the residents. The boundaries of the areas that were declared "state lands" were described in the orders, and the residents were told that whomever thinks that he has rights over these lands is entitled to approach the military appeals committee and to object to the declaration. In other words, he must prove his rights to the land, and is granted 45 days for this purpose. Since the decisive majority of areas of Judaea and Samaria are not formally established and it is almost impossible to prove full ownership of them, evidence such as payment of taxes and, particularly, tilling and utilization of the land serves as proof. In most of the cases which refer to uncultivated lands or rocky hills, the Arabs of the villages are unsuccessful in proving that they have rights, and the area passes to the administration's possession.

The system has been known and familiar for the past ten years. Through it, huge areas of Judaea and Samaria have been confiscated in the past, serving for the establishment of the settlements. In recent years, land was infrequently confiscated by this method, because new settlements were not established and the land reserves available to the administration in the territories were large. In recent weeks, a change took place, and residents of the villages in the West Bank again began to receive these orders. In the village of Bal'in it is said that the orders apply to 39 families. Some turned to lawyers and surveyors, and found out that the boundaries of the area that was now declared "state land" are wider, including close to 2,000 dunams. They claim that similar orders have arrived in nearby villages—Dir Balot, Tzefa, Dir Abu Mish'al, and Abud. According to the Arab newspapers in East Jerusalem more Arabs from other districts have complained recently—from the Nablus, Hebron, Kalkilia, and Tul Karam regions—that they received orders declaring their land state property. Hence, this refers to tens of thousands of dunams.

Nine hundred people reside in the village of Bal'in. It is located 4 km east of what was once the green line. One can see from it the settlements that have been established in the Modi'in region, among them Kfar Rut, Shilat, Matityahu, and Macabeem. In 1967, the village amounted to only a few lone houses built in a crowded manner on a small hill. Since then, it has expanded substantially. It has tens of new homes, some spacious, with green gardens, fruit trees, and chicken coops. It bears a greater resemblance to a small Israeli moshav than a traditional Arab village. Almost all of the residents of the village worked in Israel. Many of them neglected the cultivation of the land, particularly the hilly, more distant areas, the income from which was low.

A village resident, Ahmad Samara, was among the few in the village who did not go out to work in Israel, and

continued to earn his livelihood from tilling the land. He tells that in the past they had already tried twice to confiscate land belonging to Bal'in. The first time, in 1981, 675 dunams were declared "state lands," and the residents waged a struggle and proved their ownership until the declaration was canceled. The second time, in 1986, an area of 140 dunams at the entrance to the village was declared a "nature reserve." According to Samara, there, too, the administration sought to establish a settlement, but was not successful. The area was an ancient oak forest surrounding the grave of a sheikh by the name of Abu Lamon, belonging to the Muslim holy trust of Jerusalem.

This time, it is not clear whether they will succeed. Ahmad Samara is the only one among the residents of Bal'in willing to be identified. The rest of the residents are fearful. They hope perhaps to arrive at a settlement that will cancel the declaration or parts thereof. They already have been told verbally that the areas of the olive trees located in the region that was confiscated apparently will be released and remain in the possession of their owners.

In the meantime, it has already been more than two months that the majority of the village residents has not been going out to work in Israel. Some of them have returned to till parcels of land that they had neglected for years, including within the area that had been declared state land. The officers of the military government noticed this. On 18 March, Supervisor Yossi Hasson from the office in charge of government property in Judaea and Samaria sent letters of warning to nine residents of Bal'in. They stated: "I hereby inform you that you have unlawfully confiscated the land described herein...or Sameach, Bal'in, the large area (Or Sameach is apparently the name that the administration gave to the parcel). I demand that you let go of the land immediately.... I hereby inform you that you are subject to trial and to the punishment stipulated by law and the security legislation for trespassing on the aforementioned land."

One does not require a great number of words to describe the fury of the residents of Bal'in at the manner in which they were referred to while cultivating the land that their forefathers tilled. Ahmad Samara says that throughout the years land brokers and middlemen hung out around the village, trying by any means to get their hands on lands for the settlements. Most of them were known in the area as swindlers and charlatans. Two of them, Gazi Darash and Salah Ab'd al-Latif from the village of al-Jib, were even caught in acts of counterfeiting—phenomena familiar from other parts of the West Bank, that have been heard of less in recent years.

According to the statistics once published by Dr. Miron Benbenishti's research institute, more than 50 percent of the areas of Judaea and Samaria are in the process of being taken over by the Israelis. After the Six-Day War, the Israeli administration, as the successor of the Jordanian Government, was the owner of only 500,000

dunams of the area of the West Bank, i.e., less than 10 percent of the entire 5.5 million dunams that comprises the complete territory of Judaea and Samaria. First, the government confiscated absentee lands; afterwards, territories for public use were expropriated. Extensive areas were closed for military use or were declared firing zones. In additional areas, limitations of utilization were imposed, such as prohibitions to enter the territory, to cultivate it, or to build on it. Even the definition of wide areas in the West Bank as nature reserves was made at the time (1983) by the ministerial committee for settlement within the framework of a program for the confiscation of territory, and not out of concern for the landscape and quality of life in Judaea and Samaria. All of these methods, however, did not bring about a real Israeli takeover of the land in the territories as did the legal means termed "declaration of state lands." This is the method through which the Likud government began in 1980 to confiscate almost all of the uncultivated land in the West Bank, out of fear of the autonomy plans. Their size was estimated at more than 2 million dunams—almost 40 percent of the area of Judaea and Samaria.

According to the impression of what is going on in the small village of Bal'in, the renewal of the campaigns of confiscation of lands in recent weeks is more painful than in the past. The income from the money sent by relatives who worked in Kuwait and in the oil countries of the Gulf has decreased greatly or stopped entirely. Income from work in Israel has also decreased substantially due to the need for licenses and the filling of some of the places of employment by immigrants from the Soviet Union. Without a choice, they are returning to work on the land, and then receive the new orders. Young people from the village speak with ridicule of the Israeli declarations that Israel will see to the development of sources of employment in the territories. How is it possible to develop sources of employment when the land, the primary manufacturing element of more than 60 percent of the residents of the West Bank, residing in 400 villages, is taken from them? "This is a transfer government," says one of the youths, "its entire objective is to push us aside for the benefit of the Jews of Russia and Ethiopia." They fear that within a short period of time they will no longer be able even to return to the life of poverty and distress of their ancestors, who grew wheat and lentils on the rocky slopes.

Special Forums To Probe Shin Bet Interrogation Methods

TA1651146A Tel Aviv MA'ARIV in Hebrew 16 May 91
p A7

[Report by Barukh Me'iri and Tzvi Lavi]

[Text] A joint Justice Ministry and Shin Bet team has been set up to examine complaints about Shin Bet interrogators. The Justice Ministry reported yesterday that the question of "the need for a more extensive

investigation and whether there is room to reach operational conclusions will be examined" on the basis of the team's recommendations.

The issue involves complaints of unacceptable conduct by Shin Bet interrogators during questioning. The Justice Ministry reported that a review of a Betzelem complaint regarding "the questioning of Palestinians during the intifadah" seems to indicate that some of the individuals mentioned in the report as having been interrogated were questioned not by the Shin Bet, but by the IDF [Israel Defense Forces]. This prompted the IDF to ask Major General (reserves) Arye Vardi to look into the complaints.

Justice Ministry spokesperson Eti Eshed has reported that other individuals whose complaints about their interrogation were mentioned in the report were probably questioned by the Shin Bet, but the lack of specific details in the report has made it impossible to identify them; therefore their complaints could not be examined. "For this reason, a request was forwarded to Betzelem as far back as 3 April 1991 for additional identifying details to allow a thorough investigation of the issue. This request has not yet been answered."

The job of the small ministerial forum, which was established following the Landau Commission's report [issued in 1987 on the Shin Bet's methods of interrogation], is, among other things, to periodically review the list of permissible means of pressure to be used during Shin Bet investigations of hostile terrorist. The forum is also expected to review various points included in complaints about means of pressure.

The justice minister yesterday stressed the government's deep appreciation for the Shin Bet's loyal and good work and its vital contribution to state security. "Many of us owe their lives to the Shin Bet operatives," he said.

The prime minister has appointed a Shin Bet controller to look into complaints about employees. His findings are relayed to the Justice Ministry. He has already looked into several complaints mentioned in the Betzelem report, while others are still under investigation. Police Affairs Minister Roni Milo disclosed this yesterday during a Knesset discussion of a query submitted by Knesset Member [MK] Yosi Sarid (Citizens Rights Movement) on whether the head of the Shin Bet reviews the goings-on in its interrogation facilities, just as the officer recently appointed by the chief of staff probes what happens in the IDF's detention facilities.

MK Sarid was not happy with the replies he got and said that the government and the Knesset are responsible for supervising the Shin Bet's interrogation methods. What really takes place in the Shin Bet dungeons, he said, should be probed by an independent body.

MK 'Uzi Landau (Likud) said that the chief of staff erred in appointing an officer to investigate the issue. As for

Betzelem, he said that that organization "cooperates with the enemy and that its allegations are not permissible in court."

Defense Publications Cutback Anticipated

91AE0381B Tel Aviv YEDI'OT AHARONOT in Hebrew
26 Apr 91 p 2

[Article by Dani Sadeh: "There Are IDF Journals That Must Not Be Shut Down—Like the Air Force Journal"]

[Text] The IDF intends to cancel all its journals and newspapers, including those newspapers distributed on the civilian market with thousands of subscribers.

It is the IDF [Israel Defense Forces] intention to leave only one newspaper, BAMAHAHE. According to a senior officer, this paper, too, will change to become "more IDF-like." The IDF publishes some 33 open-source journals and papers and about another hundred classified periodicals.

When Chief of Staff 'Ehud Baraq came on board, he instructed the planning branch to examine the entire issue of military periodicals, that are distributed at a cost of about three million sheqels a year. The large majority of periodicals is intended for internal distribution. The newspaper BAMAHAHE is distributed to about a hundred thousand subscribers, some of them regular army types.

The "Air Force Journal" is the only military paper with a balanced budget. It is distributed at newspaper kiosks and sells about thirty thousand copies per issue.

Brigadier General (Res) Nehemiah Dagan, an Air Force man and former Chief Education Officer, said yesterday that "the Air Force Journal must not be closed down. This is the window through which the country's citizens see the Air Force."

"Before we decide which military newspaper to close down, we have to do an in-depth check of which newspaper is best from all points of view," said Dagan. "The Air Force is also the 'Air Force Journal.' Over the short haul, I do not see any advantage in closing down. Over the long haul it will cause damage. I am against the idea of 'closing them all.' There are military papers that are thrown into the trash can the minute they leave the presses. But the 'Air Force Journal' is read by everyone. That, in addition to the fact that it is self-supporting."

Over the last few years the number of IDF journals has grown and, in fact, every branch has a journal now, which appears once every few months. Among the large journals are the Navy journal "Among the Waves" and the Intelligence Corps journal HAMANIT ("The Sunflower"). Nahal has "In the Nahal Camp" and there is also "In the Gadna' Camp." There are also the Medical Corps Journal, the Journal of the Communications and

Electronics Corps, and the Journal of the Quartermaster Branch, of the Ordnance Corps and of the Military Police.

In addition to those, there is the monthly review the IDF Officers' Monthly, MA'ARKHOT, the "IDF Journal" and a large number of classified military publications that appear internally. Some of the journals are professional, and others reflect the experience of that Corps.

A senior IDF officer said yesterday that "the professional level of many of these journals is low and, in fact, in most areas they write about things that have already been mulled over in the civilian media. When thousands of regular army people are let go, it is impossible not to go after this area, which has no direct effect on building the force."

Future of Defense Industry Discussed

91AE0380A Tel Aviv 'AL HAMISHMAR in Hebrew
(Economic Supplement) 10 Apr 91 pp 16-17, 38

[Article by Shlomo Frankel]

[Text] War is a tragic event, not only for the lives of individuals but also for the economy. It either worsens an existing process or changes a process. The Six-Day War changed a process. The deep economic slump (which was mistakenly called a slowdown) of the mid-sixties became a boon following the Six Day War, and the reasons are well-known: large immigration from the Soviet Union; an increase in capital investments from abroad, especially from Western Jews; the attachment to the Israeli economy of a market comprising 1 million consumers; and an inexhaustible supply of cheap Arab labor from the territories. If one adds to that the feeling of "imperium" that prevailed in Israel and the optimism that was expressed in initiatives and investments, the result is not surprising.

The war of attrition and, later, the Yom Kippur War also changed a process. The boon became a slowdown. What began in 1974 was not the slump of the sixties, but a protracted slowdown, with slight ups and downs, that appeared statistically as a virtual freeze in GNP and per capita GNP. This slowdown has yet to end.

Regarding the Lebanon War, we saw another change, this time in the direction of a boon. Two primary actors participated in the show: inflation and the stock exchange. Both of them came out in a cabaret dance bordering on madness that created the feeling of an incessantly boiling and raging economy. However, the show fell apart with the bank shares collapse in October 1983. The stock exchange left the stage. Inflation remained briefly. However, it was obvious that this was merely the appearance of a boon that was really no more than stagflation, the legal daughter of stagnation and inflation.

The new economic plan of July 1985 froze inflation's role. Inflation was compelled suddenly to be satisfied

with a rate of less than 20 percent, after having been at an annual rate of 450 percent. In other words, stagflation became simply stagnation.

A Dish That Thwarted Growth

The Lebanon War ended in that same period, and the true result was clear: That war caused the worsening of a trend. Large security expenditures were made and military reserve service was increased significantly for a substantial segment of employed persons in the economy. It must be taken into account that the government, which is supposed to manage the state (and, in Israel, the economy as well) has no head for economic matters during a war. Spice this porridge with a dash of emigration, a dash of pessimism, and the growth of inflation, and it becomes sufficiently clear why the Lebanon War was unable to produce another boon, not even when that war ended, and not even when the economic plan to promote growth was implemented.

For more than two years, between July 1985 and December 1987, the economy swung between hope and despair. It seemed that the economic plan was on the verge of succeeding. Every several months, the Central Bureau of Statistics, the Bank of Israel, and the research departments of the banks saw indisputable "signs of recovery," and the Finance Ministry endeavored to reap the fruits of these signs by making optimistic declarations.

However, the intifadah, War A, then erupted, to which the Iraqi invasion of Kuwait, War B, was later added, to be followed by the period of the Scuds, War C. These three, together and separately, pushed the economy deeper into a slump.

In addition, more than 200,000 new immigrants from the Soviet Union poured into the economy within the space of less than a year, coming with very few resources of their own, but making great demands on the resources of an economy that has clearly been subject to strangulation. To this should be added a complete lack of planning on the part of the government (tens of housing and employment plans bursting forth every two weeks from one or another governmental ministry do not testify to planning, but to a lack of planning). Needless to say, the upshot is that the immigration wave from the Soviet Union has, in the meantime, exacerbated the distress and disorder; with the exception of a statistical increase in the GDP 1990, it has neither fulfilled the hopes attached to it nor constituted a counterweight to the damages caused by the war.

Poor Immigration

The immigrants from the Soviet Union did not solve the difficult employment problems caused by the intifadah [i.e., sporadic work attendance on the part of workers from the territories] in the key branches of the productive sector in the economy, agriculture, construction, and industry. The immigrants from the Soviet Union did not come with capital. Therefore, they did not offset the

drop in foreign commitments with the Israeli economy, which was caused by Saddam Husayn's invasion of Kuwait and the transformation of our region into a high risk region. Nor did the immigrants generate an expansion in the domestic consumer market beyond their percentage of the population. Their main contribution in this area has been to cause a significant increase in apartment rental fees, whose advantage to the economy is especially doubtful. In the meantime, the current immigration wave presents no signs of including economic entrepreneurs who will generate an expansion of economic activity. The six-week, intensive stage of the war, the period of the scuds, was a kind of shock to the economy. The connection with cheap labor from the territories (which amounts to more than 100,000 workers comprising about 25 percent of the workers in the productive branches) was actually severed. However, this has not been the only problem regarding employment, which is vital to the ongoing operation of the economy: Many thousands of Israelis retreated to abroad, and another several thousand were absent in different periods of the war from their residences and places of employment. This phenomenon was especially prominent in the state's main industrial and commercial areas, the Dan Bloc and the Haifa Bay area. During the war, a worker absenteeism rate of 50 percent was reported in such branches as construction, agriculture, and tourism, while industry recorded a worker absenteeism rate of 15 percent, without taking into account the days of controlled absenteeism at the beginning of the war.

In addition, commercial and business activity declined by dozens of percentage points in virtually all branches. There was a fear of large waves of collapses of businesses. One out of every seven checks bounced, and banks and clients found themselves with returned checks totaling 20 million shekels per day, which, if multiplied by the number of "value days" of the war, yields 700 million shekels, or about 450 million shekels per month. Lack of coverage for such an amount in an economy the size of Israel's economy clearly has a shocking effect.

In addition, the war entailed expenditures for the acquisition of gas masks, additional allocations for the IDF [Israel Defense Forces], and the stepped-up mobilization of reserves, as well as several hundred million shekels to compensate war damages. Estimations of the direct and indirect expenditures of the war, in the period bounded by Saddam's invasion of Kuwait and the last scud, range between 800 million shekels and several billion dollars. The higher estimations seem more reasonable.

An Industry Without Accounting

What the war did to the economy in general, it also did to Israeli industry, by plunging it more deeply into a recession. Clear signs of a crisis in industry were already evident in the mideighties. However, the crisis erupted at full strength in the summer of 1987. This crisis has a name. It is called the crisis of the defense industry, and it is closely connected to Israel's wars.

The history of the defense industry in Israel can be divided into two periods. The first period extends to 1967. Until that time, the defense industry was the baby of Pinhas Sapir, whose policy was simple, namely to cover the state with industrial factories, never mind which, what they produced, or how much they cost. The main thing was that such factories exist. As a result of this policy, almost everything was produced, or an attempt was made to produce it, in Israel, from American cars and canned fish to high fashion and submachine guns. Simply everything. At that time, the game was employment for everyone. The thinking was: First, let everyone have employment, then we will settle the account.

This policy began to collapse in the sixties amid the failure of many factories failed, a substantial increase in unemployment, and the onset of a slowdown that turned into a slump.

Then came the Six Day War, and Israeli industry took a clear direction. From within the industrial multitude, a long stalk began to grow and become prominent—the defense industry.

This was not coincidental, nor was it the result of the situation in the economy. The defense industry grew because a decision was made to water it. The decision was political, economic, and, to no less of a degree, sociologic. The political-economic aspect is well-known. Israel had been affected by a dangerous French embargo during the Six Day War. The political leadership, which assumed that the state would be compelled to enter other wars, sought to attain position in which the Army's needs, from shoelaces and rifle bullets to aircraft and missiles, would be produced in Israel, so that Israel would not be dependent on outside sources. The sociologic aspect of the decision concerns the character of the decisionmakers. The generals had then begun to join the decisionmaking leadership of Israel; what is more natural for a general who becomes involved in the economy than dealing with arms?

Indeed, that is what happened. It would probably be easy to track what happened by examining the case of the Koor-Histadrut concern. In 1968, Major General (reserves) Me'ir 'Amit took over the management of the concern, which was a very large concern by Israeli standards. Emphasis was placed on a single direction of development: defense industries. Five years after 'Amit took over, the Yom Kippur War broke out, and the development of the defense industries was accelerated, given that the decisionmaking echelon viewed the Yom Kippur War as additional proof of the correctness of the argument that Israel would continue to become involved in wars.

In the Koor concern, this acceleration was reflected by an increase in the number of workers, from 10,000 in 1968 to 15,000 in 1970, 21,000 in 1974, and 33,000 in the early eighties. Most of the increase was in the defense-related part of the concern. In the eighties,

Tadiran, which is under Koor's control, was employing more than 10,000, the same number of workers in Koor in 1968. Soltam employed 2,000. Somewhat fewer worked at Alliance and Shimshon (the primary client for Shimshon's tires was the defense system), about the same number in Ordan, which was under Koor ownership before it was transferred to the Clal concern, and hundreds more workers in a number of factories, companies, and partnerships such as Arit [?], TGL [expansion not given], Hasin Esh [Fireproof], Elul, and more. Paralleling the development of the defense industries was a process of relative, sometimes absolute, degeneration regarding investments in, and the modernization of, Koor factories that produced for the non-defense domestic and export markets, such as the food, shoe, cement, and construction industries.

What happened regarding Koor, actually happened throughout the entire economy. The second largest concern in the economy, the Clal concern, began to turn increasingly toward defense, producing vehicles for the IDF and electronics, and, finally, by acquiring control of Ordan from Koor. That operation was headed by another general, former chief of general staff Tzvi Tzur, nicknamed Chara. The largest private investment company, Discount Investment, moved into the defense industry with Elron and Elbit (Elbit's name combines the first syllables of its parent company, Elron, and "bitahon [defense]," the name of the ministry that was a partner in its establishment). Elbit's operations were directed by another former general, Dan Tolkovski [?].

In addition to the large concerns, a large group of private investors turned toward the defense industries, producing military needs for the IDF directly or as subcontractors for the large concerns.

However, the bulk of the defense industry was developed by the government itself. The aircraft industry [Israel Aircraft Industries] became the largest company in Israel with 20,000 workers. REFA'EL [Combat Means Development Authority] was transformed from a body that deals with research and science into a factory for the mass production of weapons. TA'AS [expansion not given], the military industries, was transformed from a collection of factories for the repair of armored tracks and the like into a large weapons factory. The government employed thousands of workers in this new area.

Indeed, the great effort yielded results. Israel began to produce all of the Army's needs: rifles for infantry soldiers, battle tanks for the Armored Corps, cannons for artillery, patrol boats for the Navy, aircraft for the Air Force, even cars for officers and tires for this entire fleet, and almost everything in-between.

Unbridled Growth

The ramified defense industry was watered and cultivated from every side. It received fat contracts from the IDF, and a special branch was assigned in the Defense Ministry to handle defense exports. The production of

weapons became a synonym for patriotism. The scientists and workers of the industry received prizes and won praise in the press. They were the salt of the earth. It is difficult to precisely estimate the dimensions of the growth of this industry, because the Central Bureau of Statistics does not treat the defense industry under a separate rubric in its calculations. One can only estimate growth in the defense industry, because most of the its products are scattered under a series of rubrics, such as rubber and plastic products, metal products, machinery, transportation means, and, especially, electronics and "miscellaneous" (which includes precision optical devices). These branches obtained 40 percent of the total proceeds of industry in 1970. That percentage increased to 51 percent in 1987. However, this is not the full picture, because other branches, such as food, textiles, or medical equipment, greatly increased their share of production of the Army's needs.

Another criterion of the defense industry's share of total industry is exports. In this regard, exclusive figures are published. They indicate that defense industry exports in the eighties ranged between \$1 billion and \$1.3 billion, i.e., 10 percent to 15 percent of all industrial exports. This does not permit a direct conclusion about the size of the defense industry; arms are difficult to sell abroad, especially for a state such as Israel, and no other industry has such a large, generous client in the state itself, i.e., the IDF.

If one takes into account the number of workers in the defense industry, it is possible to assume that, in peak periods of the defense industry, it constituted about 20 percent of Israeli industry. This is a large, very significant proportion.

When the defense industry began to wax, virtually all other branches of industry simply degenerated. Only several branches in the non-defense sector also experienced growth, such as electronics and electricity, which enjoyed the terms of the arms factories. While the excellent working conditions and wages of workers of the defense industries (the air industry, Tadiran, and REFA'EL) gained fame, workers in the textiles and food branches, for example, were subject to low wages and difficult working conditions, and the factories themselves usually seemed like the workers in them. Tadiran and Soltam of Koor tread on Shemen of Koor, just as Ordan and Rom Karmel buried Polgat of Clal.

The explanation of this treading is simple. The defense industry causes economic damage. The first damage is that this industry does not produce anything that can benefit the economy. In other words, from an economic standpoint, defense industry production, in the best case (when there is no war), does not yield a return. Moreover, one should not become too happy about defense exports and the dollars they bring in to the state, given that these dollars are purchased very expensively, because defense exports produced in Israel, like everywhere else, are actually subsidized by the state. Competition in foreign markets is great and the demand is

contracting. The second damage is that the government, which is almost the exclusive client of the defense industry, purchases arms with tax the revenues that it collects. The high prices which the defense industry demands and receives require the government to impose high taxes, direct and indirect, which place a great burden on other industries and their workers.

Problems began to appear in the defense industry in the late seventies and early eighties. Democratic President Jimmy Carter caused the main damage. He began to clip the wings of the U.S. defense industry, to which Israel's defense industry is connected by its navel. He also succeeded in establishing peace between Israel and Egypt, which reduced the substantial security burden on Israel, but led to a drop in orders for the defense industry. The second-ranking cause of damage was Khomeini. The downfall of the Shah of Iran removed from the map, at least temporarily, a very large customer of Israeli arms exports. The world market began to weaken. The Lebanon War flushed the cheeks of the defense industry somewhat, but only briefly.

The year 1987 was a year of great disaster for a long column of factories, from Soltam to Israel shipyards. This was the year in which it was decided to deviate from the line that had been outlined in 1967. The Israeli Government, bowing to American pressure, agreed to cancel the Lavi' aircraft project and to buy the American F-16 aircraft of General Dynamics as an alternative to the Lavi'.

The defense minister at the time, Yitzhaq Rabin, made sufficiently clear remarks in this regard in November 1987: "The defense industries of the state of Israel, not those subordinate to the Defense Ministry, are somewhat large for the state. If unexpected events do not occur, there is a fear that some of them will simply sink."

Since then, nothing unexpected has happened (it is difficult to say that war in the Middle East is an unexpected event), but Rabin was not completely accurate. Despite the war, the industries subordinate to the Defense Ministry, such as REFA'EL and TA'AS [military industries], are in danger of sinking.

The cancellation of the Lavi' project resulted in the dismissal of thousands of workers in the aircraft industry itself and in factories that were connected to the project. The main portion of the losses of Koor, which subsequently collapsed, were of course contributed by Tadiran and Soltam, and several factories that had shifted to defense production were closed. Many others, outside of Koor as well, are experiencing growing difficulties. The reasons are well-known: First, there is the constant pressure to cut the defense budget. Second, the Americans continue to provide generous assistance in the form of a grant, almost all of which must be spent on purchases from competitors (the America defense industry), leaving little for purchases in Israel. Third, the world market has weakened. Fourth, the intifadah, which continues to be Israel's primary war at present, is not the

type of war that can produce large orders for the defense industry—at most several hatsatsiyot [meaning unknown—rock-throwing machines?], several gas grenades, and rubber and plastic bullets. Finally, the disarmament agreement between the superpowers resulted in the flooding of the market with many types of especially modern weapons at prices that have no competition.

These factors have resulted in the closure of factories and the dismissal of thousands of workers. And the end is not in sight. The Koor concern led the party with its great losses, which became known in 1988, the main portion of which was contributed by Tadiran and Soltam. However, TGL [expansion not given] and Hasin Esh [Fireproof], which are part of Koor's defense production branch, contributed their modest part. Tadiran contracted greatly. Soltam has been extinguished. Ordan continues to lose tens of millions of dollars each year. Large-scale dismissals have occurred in the military industry and in REFA'EL. In short, Rabin's forecast is coming true.

Without a Decision

What is the statistical result of this calamity? Since 1987, the number of persons employed in Israeli industry has dropped to 289,000 workers, after increasing, almost continuously, from 203,000 in 1968 to a peak of 319,000 in 1987. In other words, within three years, 30,000 workers have been dismissed from industry. The decisive majority have been dismissed by the defense industry.

The Gulf War did to the defense industry in the early nineties what the Lebanon War did for it in the eighties—a few exports of bandages or optical accessories of one type or another worth millions of dollars. However, because of Israel's marginal share in Gulf War, the dimensions of the current situation do not match those of the Lebanon War. The industry's primary customer, the IDF, is not in the picture. The boon period will be much shorter this time. Incidentally, people in the defense industry know this well, and it is no wonder that they are begging to be shifted to the production of trailer homes [to house immigrants]. However, the government is not showing enthusiasm for this idea.

The misfortune is that, in the meantime, it is difficult to see a recovery in other branches of industry, while the defense industry is sinking. Nor are there any signs that someone is thinking systematically about an alternative industry to inherit the defense industry's position as the economy's leading industry. It can be said that the decision made in 1967 to move toward a defense industry was erroneous. However, it was a decision at least. Now, there is nothing. Perhaps the Likud-Liberals government believes, not in planning, but only in the free market mechanism, which it presumes will function freely to create a solution for the economy and industry. Tens of thousands of Israelis are discharged yearly from

the IDF and another several hundred thousand immigrants from the Soviet Union who have arrived and will arrive will also be waiting for the free market mechanism. Have a nice wait.

13286

Popeye Advanced Air-To-Ground Missile Unveiled

TA1351001A Jerusalem *THE JERUSALEM POST*
in English 13 May 91 p 1

[Report by Bradley Burston]

[Excerpts] Israel should unveil and market more of its secret weapons to help finance the development of even more sophisticated arms, Maj.-Gen. (Res.) Moshe Peled, head of Rafael, the state armament development authority, said yesterday.

Rafael yesterday revealed the advanced Popeye air-to-ground missile. "It can be guided through a window of your choice, in a building of your choice, a hundred kilometers from the plane that launched it," a senior engineer told military correspondents at Segev. Peled revealed that, before the Gulf war, the U.S. armed B-52 bombers with Popeye missiles, (called Have Nap by Western forces). [punctuation as published] But he believed the missile was not used in combat. The allies gained absolute air superiority so rapidly that it was unnecessary to use a weapon as sophisticated as Popeye, he said.

Originally developed for the IAF [Israeli Air Force], Popeye has been test-fired successfully from a wide range of Western warplanes. Theoretically, it could be fired even from a Boeing-707 airliner, Rafael engineers said.

The Popeye will front the Rafael stand at next month's Paris Air Show. Other Rafael products will include advanced night-vision devices, a portable missile system to protect vulnerable installations against attack by low-flying missiles, and a device to detect and identify distant helicopters by their "acoustic fingerprint."

[Tel Aviv 'AL HAMISHMAR in Hebrew on 13 May, in a page 2 report by Avi Bnayahu, adds that the Popeye offers a "94-percent chance of hitting the target." Rafael also unveiled yesterday the "Helispot system, a new helicopter detection system," as well as the "Kingfisher, an advanced electronic intelligence gathering system," the "Nightlight system," an "integrated system" intended for "observation and intelligence units and is integrated in artillery fire control systems," and the "Adams antimissile system" which is "the land version of the Baraq-1 antimissile missile."

[Tel Aviv DAVAR in Hebrew on 13 May, in a report on page 2 by military correspondent On Levi, adds that "Rafael's deputy director general for marketing announced yesterday that the company has obtained its first license to trade with Eastern Bloc countries.

Involved are civilian projects, mainly civilian industry support systems, as well as medical projects.”]

‘Finest’ Officers’ Departure Feared Due to Manpower Cuts

TA1041000A Jerusalem THE JERUSALEM POST
in English 10 Apr 91 p 2

[Report by defense reporter Bradley Burston]

[Text] Tel Aviv—Planned slashes in manpower may cause hundreds of the finest career officers to leave the IDF [Israel Defense Forces] this year, THE JERUSALEM POST has learned.

Senior officers are said to fear that long-range plans for drastic cuts have driven many officers to seek civilian employment even before the decreases take effect.

“It is very possible that the very officers the army wants most to keep will be the first to leave, and of their own accord,” a veteran mid-rank officer said yesterday.

“The officers are concerned that retirement benefits will also be adversely affected in the future, and that positions available today may be ‘snapped up’ by immigrants or retiring officers if they don’t act quickly.”

The exact scope of the cuts has not been disclosed, but an IDF spokesman said that “without going into precise figures, the number of positions to be terminated over the next three years will not be in the dozens or the hundreds, but in the thousands.”

The cut will also affect positions of civilian IDF employees.

Several IDF units will be dismantled entirely, with others consolidated and reduced significantly in personnel. Among the units slated for elimination are the Chief Education Officer’s Command and the office of the Chief of General Staff’s adviser on operational evaluation and command preparedness.

The Command and Staff College will merge with the National Defense College, and a number of military liaison offices abroad are to be eliminated.

One of the factors blamed for an estimated \$500 million defense budget deficit is a dramatic rise in the number of new draftees, in large part due to the current wave of immigration.

In the end, however, this influx may help offset the budgetary problem. According to military sources, every draftee that replaces a reservist can save the army over NIS [New Israeli Shekels] 30,000 a year.

As a result, the IDF Personnel Branch is said to be investigating further reductions in training hours for reservists.

Also being considered is an indefinite suspension of a relatively recent plan to shorten the terms of draftees by several months.

Current Status of POWs Discussed

Defense Ministry Ready To Negotiate

TA2851645 Tel Aviv YEDI’OT AHARONOT in Hebrew
28 May 91 p 2

[Article by Yehezkel Adiram and Dani Sadeh]

[Text] The Defense Minister’s adviser for POW’s and MIA’s, attorney Uri Slonim said yesterday that “Israel is prepared to immediately enter negotiations with the countries and organizations holding the IDF prisoners of war, under the condition that it first receives a sign that they are alive, and when it knows where they are and who is holding them.” (...) “The different organizations, including those operating in Syria and Iran, must give us a sign of life from our prisoners.”

The seven prisoners and MIA’s are: Zekharia Baumel, Yehudah Katz, and Zvi Feldman, who have been missing since the battle of Sultan Yaacob in Lebanon 1982; Samir Asad, abducted in 1983; Yossi Fink and Rahamim Alsheikh, who were abducted in 1986; and Ron Arad who was taken prisoner in 1986.

Slonim added, “the latest publications are significant because this is the first time that the Hizballah announces openly, in the name of a leader in southern Lebanon, that it is willing to conduct negotiations. This is the reason for Defense Minister Arens’ cautious optimism. But as long as we have no signs from our prisoners there is nothing to talk about. The Red Cross, for example, has not been allowed to this day to visit our prisoners. From our perspective, as long as we have no signs as to the opposite, our POW’s and MIA’s are alive.”

Past Negotiation With Hizballah Profiled

TA2851646 Tel Aviv ’AL HAMISHMAR in Hebrew
28 May 91 p 1

[Article by Pinhas Inbari]

[Text] Based on foreign newspaper reports which have appeared over the last two years, it is possible to reconstruct, in general, the negotiations with Hizballah and the difficulties in the way of working out a deal for an exchange of prisoners, abductees and missing.

The new element in the words of Hizballah leader Shaykh Abbas Musawi last week is the willingness to include the Red Cross in the process. That means that Hizballah is willing to show the prisoners it holds to Red Cross people. But the fact that this has not yet been done raises doubts about the ability of Hizballah’s leaders to carry out their declarations.

At the time, it was publicized that the navigator, Ron Arad was handed over by his Amal captors to the Hizballah group headed by Mustafa Daryani. It is not known to what extent the report is true, but it should be noted that Daryani made no declarations, and the question arises whether every Hizballah group is indeed ready to carry out the deal that Musawi and Fadlala are interested in. Since Iran also announced that it is interested in a [prisoner] exchange, another question arises whether the delay is related to the internal debate between Rafsanjani and his opponents.

The bottom line is that Asad and Rafsanjani are interested in an agreement which is a condition for the release of the 12 Western hostages, in order to turn a new leaf in relations with the West. The two presidents are also facing an important political test: following the signing of the Brotherhood Pact with Lebanon, does Asad indeed have real control of the Lebanese swamp and does Rafsanjani have real control over Hizballah?

POST Urges Rejection of UN Role in Peace Talks

TA1750919A Jerusalem THE JERUSALEM POST
in English 17 May 91 p 4

[Editorial: "Perez de Cuellar's Ambition"]

[Text] Sixteen years have passed since the "Zionism Equals Racism" resolution was passed by the UN, and this week the world body's chief executive, Secretary-General Javier Perez de Cuellar, has discovered that the resolution "is not impartial" and "has not been helpful." Perez de Cuellar is even bold enough to divulge that "it has always been my opinion that the resolution in some way, how can I put it, distorted the meaning of Zionism as it was conceived." One cannot help but admire the superhuman restraint and Herculean willpower he must have practiced all these years in keeping these thoughts to himself. It could not have been easy, considering that only the democracies of this world oppose this resolution, while the far more numerous dictators, totalitarians, and practitioners of genocide avidly support it.

What has apparently forced Perez de Cuellar to throw caution to the wind and confess his doubts about the resolution is a misunderstanding compounded by ambition. He misunderstands the reason Israel is unalterably opposed to UN participation in the peace process if he believes it is only the Zionism = racism resolution. The campaign against the resolution, now waged by world Jewish organizations and supported by the United States, may have misled him. He seems not to understand that Israelis cite this particular offense merely as an egregious, but hardly unique, example of the UN's knee-jerk anti-Israel attitude. If world champion racists can brand as racist a democratic Israel—the melting pot of immigrants from over 100 national origins, a country in which all ethnic, religious and national groups are equal before the law and where Arab citizens enjoy more rights than in almost any Arab country—then the UN

can be considered only as a theater of the absurd, whose General Assembly's anti-Israel resolutions are irrelevant and hypocritical.

But Perez de Cuellar prefers not to dwell on the resolution's substance, on its ludicrousness and crying injustice, nor to condemn it as a blood libel against the Jewish people. He simply allows that, like Kurds and Basques, the Jewish people cannot be branded racists just because they want a state. It is difficult not to be awed by this breathtaking discovery.

Perez de Cuellar's misunderstanding is compounded by ambition. He is obviously eager to enter the peace process game, which for some obscure reason virtually every nation on earth seems to be pining to join, and he believes Israel will keep his organization out unless the infamous resolution is repealed. It is to be hoped that he is in for a disappointment. The government of Israel must be firm in denying the UN participation in the projected negotiations with the Arab states. Not only because the UN's hostility will no more change through a resolution superseding the Zionism-racism insult than the PLO's nature was changed by 'Arafat's Geneva announcement. But because even a hint of Arab circumvention of direct negotiations is an indication of a refusal to accept Israel's existence. Israel can and should make gestures of goodwill, as should the Arab states. But the principle of direct, bilateral negotiations free from intervention is sacrosanct. To violate it is to betray the prospects of peace.

Editorial Notes Ambiguity Following Baker Talks

TA1750857A Tel Aviv MA'ARIV in Hebrew 17 May p A2

[Editorial: "At the End of the Fourth Trip"]

[Text] James Baker has just spent another week in the Middle East. He did not enjoy himself too much. Baker left Israel and ended his current shuttle trip leaving a feeling of ambiguity behind. On his part, he refused to say that he had failed or that he was disappointed. Judging from his statements at the news conference, Baker believes he has scored one significant achievement: The Gulf states are ready to hold direct negotiations with Israel; all the parties have accepted the format of the regional conference he proposed.

Many things have been agreed upon. More things are agreed upon than not. Everyone knows, however, that when one must agree on an entire package deal, even one small detail out of many may undo all the previous agreements. The reports that accompanied Baker's trip were surprisingly pessimistic, compared with the statements made by the secretary of state and his host, David Levi, at the airport yesterday. This is the kind of surprise that does not complicate things. On the contrary, it is a source of pleasure.

We have already been there, however. Sometimes the switch comes even before the U.S. secretary of state is

back in Washington, and sometimes it is a short while after he returns. After he is through going over all the agreements he reached, it becomes apparent that something else is missing, something so essential it places everything achieved before at risk. Then another shuttle trip and perhaps more compromises from all or from one of the parties are deemed necessary. Sometimes all the statements merely serve to cover up the failure. It appears that also this time, Baker has decided not to kill the initiative, because there may still be a glimmer of a chance. He is therefore presenting a trip that achieved nothing as an accomplishment.

It now seems that the Israeli Government deserves congratulations for succeeding in at least one tactical mission. It will not be blamed more than the others—and apparently less than Syria—if the process again runs into a dead end. But be careful; this is true for the moment only. In another minute, day, or month, things could seem completely different—either much better or much worse.

We received the impression that the statements issued yesterday by Baker and Levi may have been slightly overly optimistic. But even if they were not, one must remember that the Middle East has not even reached the first stage of the process itself, and there is still considerable work ahead of us. If Baker is not giving up, it would be stupid for the other parties to do so. It is important that Baker's trips—up till now there have been four of them—will indeed seat the parties down together at some sort of conference, as that is the only place where they can finally get down to brass tacks.

MOROCCO

Morocco Moves To Renew Relations With Iran

91P40277A Casablanca RISALAT AL-UMMAH in Arabic 10 May 91 p 1

[Text] RISALAT AL-UMMAH has learned from official sources in Rabat that the Government of Morocco has decided to appoint Hassane Daoud as chairman of a delegation to oversee Moroccan interests in Iran.

These sources explained that this appointment is a first step toward restoring diplomatic relations between Morocco and Iran. As an indication of Mr. Hassane's association with diplomatic matters, he formerly held the position responsible for Moroccan affairs in Tehran in 1975, then was entrusted with the mission of director of cultural and social affairs in the Islamic Conference Organization.

Consulates Attempt To Spur Foreign Investment

91P40259A Paris JEUNE AFRIQUE ECONOMIE in French May 91 p 93

[Article by Assou Massou]

[Text] "Guided by their desire to see the defamation campaign against Morocco finally ended, the presidents

of foreign chambers of commerce in Morocco see it as their duty to contribute to the restoration of the truth." This is the beginning of the letter that officials of seven consular organizations located in Morocco addressed to their respective governments. The objective was to reassure foreign investors and to try to dissuade them from leaving. The repercussions of the Gulf war and the Franco-Moroccan crisis are so strong that several sectors of the economy are ruined and are pulling down many others in their wake. Sectors affected include tourism, textiles, leather, and shoes.

Tourist activity dropped by 99 percent during the last half of 1990; the occupation level for hotels hardly surpassed 2 percent. In order to recover from this situation, the National Federation of the Hotel Industry and the Federation of Travel Agencies are demanding financial aid from the government, particularly in the form of preferred interest rates and a revision of the VAT [value-added tax].

As for the Moroccan Association of Textile Industries (AMIT), it is requesting from the authorities and the banking system partial compensation for losses suffered after the closing of Middle East markets during the Gulf crisis. AMIT is also requesting a temporary halt to economic reforms currently in progress as well as a suspension of import licenses for competing products.

Echoing the demands of professional organizations in Morocco, the French Chamber of Commerce and Industry in Morocco (CFCIM), 70 percent of whose members are Moroccan businessmen, has started a series of discussions with the Moroccan Government as well as with French investors. A campaign to promote the Moroccan kingdom's image is already planned for October 1991; the campaign is called Promo-Morocco. To restart the textile industry, CFCIM and AMIT are organizing the Vetma show during the month of May.

The French Consulate has not lost hope that it will be able to stage, finally, another "year of Morocco." [Reference to an event scheduled to be held in Paris earlier this year but canceled due to Franco-Moroccan tensions.]

Human Rights Commission Chief Discusses Progress

91AA0353A Rabat AL-MITHAQ AL-WATANI in Arabic 10 Apr 91 pp 2, 7

[Interview with Prof. Khalid Nasry, head of Moroccan Human Rights Commission, by Driss Belmahy, Driss Aissaoui, and Nerjes Raghay; place and date not given: "Economic Growth, Social Development Cannot Exist in Absence of Human Rights"]

[Text] Today, "Wednesday's Interview" hosts an interview with Prof. Khalid Nasry, head of the Moroccan

Human Rights Commission, lecturing professor in the Faculty of Law in Casablanca, and member of the legal corps of the same city.

In this heated and comprehensive interview about latest developments on the national scene, we explore with Professor Khalid what needs to be done on many basic issues that form a support for any sound development of our society. We begin with the problems of university research. Then we turn to the human rights record. Finally, we discuss the outlook for our country's coming phase and the degree to which all these issues, which require debate between all components of Moroccan society, are interconnected and interrelated.

It should be mentioned that this interview was conducted jointly by the editorial staff of two newspapers: AL-MITHAQ AL-WATANI and AL-MAGHRIB.

[AL-MITHAQ AL-WATANI] First of all, we should begin our conversation by summarizing the most important events that the Moroccan scene has witnessed since mid-1990 and the effects and repercussions of these events.

[Nasry] It seems that what happened about a year ago constitutes an important turning point in the country's history. There are a series of events, the most important of them involving a number of political issues. I would head the list with the formation of the Consultative Council for Human Rights. This for me has major significance that needs to be appreciated.

First, before establishing the council, His Majesty the King began by seeing the existence of the problem with his own eyes. He then took the initiative. I believe this serves the cause of human rights. It will serve it even better if the members of the council work with the required seriousness, resolution, and responsibility to uncover the facts, deal with them, and remedy them seriously and thoroughly.

Second, it seems to me that another element somehow affected the course of events on the Moroccan scene. This was the strike called last December 14 by the Democratic Labor Confederation [CDT] and the General Union of Moroccan Workers [UGTM] and the events that followed in its wake in certain Moroccan cities. These bloody events caused a deep and still unhealed wound in the Moroccan body. Regardless of its direct and indirect causes, the roots of this wound draw their sustenance from deep in society, particularly from the depth of dangerous social divisions that our society can no longer withstand. These issues must be examined seriously, so that the same events do not recur if the situation remains as it is.

[AL-MITHAQ AL-WATANI] In the same context, where within the aforementioned events do you situate the petition for surveillance?

[Nasry] Personally, I classify the petition for surveillance as a healthy, positive move by the opposition within the

scope of its shouldering its political and organizational responsibilities. The opposition started from the premise that government policy does not suit the requirements of the situation on the national scene and that the state of affairs in Morocco calls for fundamental debate. So, for the first time in 25 years, it made use of the constitutional possibility of surveillance of the government. I wonder why it did not make use of this possibility previously.

I believe that the opposition's exercise of this constitutional right has revitalized political life. To some extent it has helped extricate politics from the lethargy that had fallen upon it in recent years. This lethargy carried many dangers within it. A superficial tranquillity carries and can only carry within itself negative impulses. Insofar as political life ought to be vigorous, the opposition's initiative in presenting the petition for surveillance came to breathe the new and needed life into the institutions of democracy, with their strengths and deficiencies.

[AL-MITHAQ AL-WATANI] In light of recent events such as the petition for surveillance and the strike of 14 December, how do you evaluate coordination between the parties of the left? Is it coordination dictated only by the moment, or is it strategic coordination to confront the activity of the government?

[Nasry] You are embarrassing me with this complex and delicate question. First of all, I think that the step is in itself strategic, because the points of contact between the nationalist movement, which is generally in opposition, and the specifically leftist parties are points that one can assume help objectively and fundamentally toward a strategic rapprochement. On the other hand, we are forced to recognize that the conduct of the various forces of the opposition has to date remained characterized by a kind of insular thinking. Each of the leftist parties formulates its own tactics and its own strategy.

They have found themselves agreeing objectively in light of conditions imposed by certain events and incidents, but on the whole it is premature to speak about strategic steps by the leftist opposition. Nevertheless, I believe that the stage of small partisan and factional steps has passed. Signs of a new stage have begun to appear on the horizon. For now, let us say that it is a transition period.

[AL-MITHAQ AL-WATANI] As a specialist in law, you know that there has recently been a great debate about certain constitutional issues in the country. What do you think is required now regarding the constitution? Is it necessary to introduce into it reforms that have become needed in Morocco? Have all constitutional possibilities been exhausted?

[Nasry] It is a delicate question. If it is addressed to me as a professor of law, I would tend to speak cautiously. But I shall try to go beyond vagueness and attempt to answer as an activist for democracy with a certain degree of awareness of constitutional issues.

The possibilities that the Moroccan Constitution allows are very important ones. As for the present constitution, I believe that if it were applied completely, in letter and spirit, it would open the door to immense possibilities. In other words, the stage that is necessary is the honest application of the constitution, letter and spirit, by all parties of the political equation. But this does not and cannot mean that the content of the constitution is in itself sufficient to respond to the challenges of the end of the 20th century on the institutional scene. Political and institutional activity in Morocco require a number of things. I would personally put at the head of the list the existence of a responsible government in the full sense of the word—a government really having the resources to carry out its policy within the domain of the larger orientations on which the kingdom's constitutional system is based. I mean responsibility to the king as head of state and to the parliament as legislative body.

The parliamentary system on which the constitutional arrangement is based must open the way to forming a political map by fair elections that produce a majority and an opposition, with the government emerging from the parliamentary majority that citizens have elected with complete freedom and without pressure. This is the general framework upon which the constitutional arrangement ought to be based. It must also open the way for the legislative body, with its effective institutional and political resources, to exercise its powers of legislation and oversight. These two powers are basic, and the legislative assembly must be characterized by them.

One notes that for a number of reasons the present Moroccan parliament is not performing its function as it should. These reasons relate to the circumstances of its formation, to a kind of submissiveness by the opposition toward government directives, and to a lack of self-confidence on the part of the opposition vis-a-vis the executive body. For all these reasons, parliament has not been able to perform its basic function in legislating. It has been unable to rise to the level that Morocco's political and social climate demands or to the review of many basic laws required by current historical conditions.

In short, there is an inadequacy at the legislative level, and there is a great inadequacy in the area of the oversight function. If parliament does not perform these two functions better, the Moroccan parliamentary system will remain curtailed and the credibility of the legislative institution will continue to be in doubt. This is something that requires radical review, if we want the Moroccan democracy for which we are all striving to rise to the historical and political responsibilities to which it ought to rise.

[AL-MITHAQ AL-WATANI] I would like us to move now to the question of teaching political science in Morocco. The subject has received many criticisms, including that it is out of touch with Moroccan reality. Where exactly do things stand with regard to this matter?

[Nasry] The teaching of political science can be considered the weak link in the field of university instruction in Morocco. There are many reasons for this. First, we would say that the natural domain within which political science developed can be found in the United States and Western Europe and then Eastern Europe to a secondary or tertiary degree. The Third World countries remained dependent in this field. Morocco is no exception to the rule on this point. Nevertheless, one should not criticize academics excessively. There are researchers in our universities—I will not mention names—who have adequate qualifications, courage, and honesty and are doing important research in the field of political science. Naturally, this does not mean that everything is just fine. On the contrary, I think that political scientists ought to make additional efforts to rationalize matters in this area. Political science requires the largest possible degree of detachment from ideological and political choices, despite the fact that these choices remain legitimate for those concerned. The interest of science requires maximum ideological neutrality. I would note here that effective effort has been made in this regard, and professors have done their duty sincerely. I find no justification for more criticisms concerning this subject.

[AL-MITHAQ AL-WATANI] Then the political reality in Morocco is being taught?

[Nasry] The political reality in Morocco in general is being taught, taking into account the need not to collide with certain taboos or touch upon considerations relating to respect for institutions. This is something that cannot be disregarded.

At present, we cannot teach Moroccan political science in Morocco as American political science is taught in America or French political science in France, where the umbilical cord between the analyst and the forbidden was severed long ago. In Morocco, the spiritual element still largely dominates over the temporal—the sacred dominates within the domain of everyday life. This raises many problems in terms of a political science separate and free from ideological partitions. But I think that an effort toward the maximum degree of honesty and clarity must be made in this field in a spirit of responsibility.

[AL-MITHAQ AL-WATANI] Still on the same subject, don't you note a continued shortage in the production of knowledge as regards the field of political science? I rely here on an old article published by Prof. Bruno Etienne about Casablanca students, especially how they deal with the subject of political thought. How do you assess the situation since 1978, which was when the article was published? Has there been progress or retreat in this area?

[Nasry] I remember this article by Prof. Bruno Etienne, who spoke a great deal about the intellectual field in Morocco. He said many things; some of them I consider correct, some of them rash. In general, the reality of intellectual life as practiced in Moroccan universities is

quite complex. There are areas of progress and areas of retreat. One can observe areas of progress in the fact that many researchers are probing a series of problems and issues that can be described as heated and difficult. On the other hand, there is an inclination in some people to consider that freedom of research is very meager and contracted and does not allow for sufficient probing into problems. I think the matter has to do with the courage that a researcher must possess, with his having to open doors resolutely, and with his belief that the excellence of academic research depends on not stopping before doors that have been closed.

[AL-MITHAQ AL-WATANI] I would like us now to move to the subject of the Moroccan Human Rights Commission—its experience as a young Moroccan rights organization and its character as a framework open to civil society without political label, yet at the same time opening its door to a party in the government coalition, the National Rally of Independents [RNI]. How have the two sides contributed with the opposition parties in this framework?

[Nasry] The Moroccan Human Rights Commission has set itself no mean goal and ambition. From the beginning, the organization has found itself to be a framework for action without emotionalism, action that strives to accomplish something different from what has prevailed until now. It thus constitutes something of a break with past experiments. For this reason, the outset and the nucleus that took the first initiative defined a number of rules and broad guidelines that were accepted as an internal guide and adopted by the organization's founders. They are as follows:

- This organization must not turn into a party-related grouping, neither for the political parties in general nor for the parties of the left specifically. There are many experiments on this level that do not interest us.
- The second basic guideline is that the Moroccan Human Rights Commission must be an independent organization. This is a basic condition of its existence—*independence from all*. In the first place, this means independence from the political authority. Secondly, it means independence from the political parties and from all political currents, whatever they may be. This I believe is what has given the organization its credibility nationally, regionally, and internationally. I hold that the organization has acquired this credibility deservedly and rightfully.

To guarantee this independence, the organization has decided to be an expression for everyone who sees in himself the power to defend human rights. This is the sole criterion that interests the organization, its activists, and those who consider themselves part of the organization. It has never and will never occur to the organization to wager on a particular personality, political current, or party as the vanguard in defending human rights. This is why we can struggle side by side, generally in an atmosphere of harmony—apart from a few peripheral

disagreements. Thus, we in the Moroccan Human Rights Commission struggle side by side—members of the parties of the left (the Party for Progress and Socialism [PPS], the Socialist Union, and the Organization of Popular Democratic Action [OADP]) and independent activists in the field of human rights. And as you have indicated, there are also members of the RNI who have joined this civilizing project.

The organization is open to everyone who agrees with and is committed to our goal and our steps. This is the case with the RNI members who are carrying out their work fully, responsibly, and openly within the organization. Specifically, they have neither greater nor less authority; they perform neither a bigger nor a smaller role. They simply shoulder their responsibility like all human rights activists. The problem for us in the organization is not to know whether we belong to this party or that one. This problem has been entirely overcome. I think that the next conference, to be held this May, will lay stress on the matter. That is what I hope.

[AL-MITHAQ AL-WATANI] You mentioned that there are old experiments that do not interest you as an organization, and said that there are peripheral disputes that cannot affect the work of the organization. Don't you think that these peripheral matters could be a repeat of what previous experiments experienced?

[Nasry] Theoretically, we might maintain that what happened in previous experiments might recur. But I think that we in the organization have taken the legal steps and structural measures that make this possibility and hypothesis thoroughly unlikely. I did indeed say—and you were right to remind me of it—that there are peripheral problems. Personally, I consider them to be so; others in the organization may disagree with me. However, I will try to support what I said. Misunderstanding has sometimes occurred between members with different sensitivities—misunderstanding that I consider natural and inevitable in every group action. The important thing is that it be dealt with rationally and actively, so that it is resolved. I said that there had been a misunderstanding with members of the previous leadership—we need not go into it in detail—and that they considered it their duty to submit their resignation. There were several attempts to dissuade them from their decision, but these attempts did not succeed. They exercised their natural right to withdraw from the echelons of the organization. Others exercised their natural right to perform their duties and stay the course. The departure of the former brothers might have dangerously affected the normal operation of the organization, but the organization regained its energy, believing that the effect of the departure of those brothers should not be to paralyze the organization, dim the civilizing goal for which it was formed, or throw the organization into confusion. On this basis, the organization continued to operate. Its organizational echelons arose in the context of full respect for the organization's rules and laws. The leadership was restructured. Those who had resigned were replaced—they were a small minority whom we

respected and were sorry to see go, but we repeat that their departure will not prevent the organization from continuing to shoulder its responsibilities. The organization will continue as it was—the upcoming convention will confirm this—a brave, militant, and independent organization whose members bear the difficult responsibility of confronting all the foes of human rights. This is the task for which the organization was founded and which it will persevere in carrying out.

[AL-MITHAQ AL-WATANI] I want to ask you to present a sketch of the activity of the Moroccan Human Rights Commission since its formation and then to tell us about the kind of achievements that Morocco has made in the field of human rights.

[Nasry] Since the organization was founded about two or two and a half years ago it has made gains we can be proud of. First, I can say that it has contributed widely to promoting and spreading the concept of human rights. This concept today has come to form an important part of the linguistic and conceptual picture—and I would also say of the political picture. The organization played a large role in this achievement.

Second, the Moroccan Commission for Human Rights has been able to focus light on a significant number of cases. This is because it did not want itself to be an organization of communiques, but an organization of activists—one that considers its real task to be putting its hand on the wound (“mettre la main a la pate”) [in French in original]. We have therefore undertaken to deal with the cases of human rights victims who have contacted the organization. We have concentrated our attention on certain fundamental cases of pressing importance. Naturally, we have taken up the immense file of cases dealing with political prisoners. I believe that for the first time in Morocco's history a file of this size is being published presenting and identifying the number of political prisoners who exist in Morocco, the circumstances of their imprisonment, their civil status, and the length of their imprisonment. This is the first time that such a complete record is being made in our country. The organization has taken an interest in a number of other issues. Among them, we can mention its constructive participation in the Consultative Council on Human Rights through its representative and through the dynamism that the organization has created in a number of places, including the commission. The organization has submitted a number of suggestions which have received the approval of His Majesty the King. These have concerned prison conditions, the disturbing problem of investigative custody, and the conditions under which such custody is applied—conditions which, unfortunately, are intolerable.

I would also note that the organization has taken concrete interest in various violations of human rights. I would mention as an example what the organization did in the wake of 14 December 1990, by appointing three special committees that went to the scene of the events. To my knowledge, these are the only committees that

have been able to work until now. Other committees were formed by parliament and by the Consultative Council, but they have accomplished nothing in practical terms. We published a report on the matter as soon as possible. It contained some flaws that could not be corrected given the difficulties we faced in getting at the facts. The organization appointed lawyers to defend those being prosecuted for the events of 14 December and whose direct or indirect participation in the events was never proved.

The organization's dynamism has also contributed to uniting its efforts with rights organizations that have participated constructively in defending human rights on behalf of a national charter of human rights. The organization has participated effectively in this area alongside the Moroccan League for Human Rights, the Moroccan Association for Human Rights, and the Moroccan Lawyers' Union. This charter is considered a historic leap toward giving concrete form to the ideals of human rights. Also to the credit of the organization is the importance it has acquired in the eyes of foreign observers. This is something that cannot be overlooked, whether it involves political leaders who visit Morocco and consider it necessary to meet with the organization—as is their right—or the French, Moroccan, German, or British information media.

When the information media want to talk about Morocco, they consider it necessary to rely on a trustworthy and credible source whose principles of analysis are objective.

One might add the impetus that the organization has given to the North African body in an attempt to form a North African union for human rights in cooperation with the Algerian, Tunisian, and Mauritanian human rights leagues. An independent Libyan league is expected to join. Contacts at the North African level have taken place; they are still embryonic, but are coordinated and interconnected. I think we shall manage to stand on our feet.

If we look carefully at the preceding list, we find that the organization is not living in a void. I can say—and I do not think the members of the national office disagree with me—that given the enormous tasks the organization has taken upon itself, it needs really diligent workers who can stay up late pouring over the cases that the organization assumes. One should bear in mind that its members are merely activists who devote as much time as they have outside their everyday jobs. Nevertheless, the organization sometimes takes a large share of time at the expense of our personal, professional, and family interests.

[AL-MITHAQ AL-WATANI] I beg your pardon, but the second half of my question remains unanswered—concerning Morocco's result in the field of human rights.

[Nasry] What result are you talking about?

[AL-MITHAQ AL-WATANI] In general, what has Morocco achieved in the field of human rights?

[Nasry] Morocco has made a number of gains in the area. We have to deal with the facts as they really are. On the one hand, we cannot place Morocco among the ranks of some of the dictatorships. On the other hand, we cannot place it on the side of the ideal democracies as regards the exercise of human rights. Many arbitrary actions and negative phenomena have been recorded in recent years. I will say that the organization has done its duty regarding this subject.

I think the important thing is consciousness of the importance of the subject at the official level and that measures are sometimes taken regarding this negative and disturbing record. Many measures have indeed been taken. I might mention among them the creation of administrative courts and the bringing of prison legislation into conformity with international law, because great backwardness in this area was recorded among us. I believe there are proposed laws being prepared for submission to parliament.

Another important recent achievement is the reforms introduced regarding investigative custody, an issue that has assumed disturbing dimensions. These reforms would impose surveillance by the office of the public prosecutor on the police regarding their application of investigative custody.

These achievements have been announced to date. This is a first step. However, my role as an official in a human rights defense organization is not limited to uttering unqualified optimism. I have to remain cautious; one of the functions of my organization is to remain cautious. All previous achievements are important, but they will be better if they enter the area of application.

[AL-MITHAQ AL-WATANI] On the basis of following your presentation of the organization's activity, the result you have achieved has been very good. However, one notes a few things that have been left peripheral. Both for the Commission and for other associations, the area of rights in Morocco focuses on the side of political imprisonment cases, which is indeed a problem—the issue of prisons and investigative custody. You have also mentioned that the Moroccan constitution provides a number of potentials—the problem is application. We find especially in this area that the administration places itself above the law and pays no attention to implementing many provisions. Likewise, we find that rights associations do not pay much attention to this problem. What is your opinion about this?

[Nasry] In plain terms, you are raising the question of governance by law. You are rightly raising the question of whether human rights organizations are performing their natural function of working for adherence to the principles of governance by law. True, the problem of political imprisonment has to some extent dominated the surface of events and the kind of action that organizations have undertaken. However, rest assured that the

Moroccan Human Rights Commission will never be interested solely in this subject. Although it is a very important subject, one which we must not belittle, we must say that the human rights problem does not stop with political imprisonment. The problem of human rights is an enormous cultural problem. You raise—thank you for pointing to this problem, and the organization is aware of it—the question of the relation of the citizen to authority. Does the authority place itself at the service of the citizen, or does it believe that the citizen ought to be at its service?—that is the question at issue. On the basis of information and the principles of democracy, we in the Moroccan Human Rights Commission believe that the opposite should be the case, that authority and administration have been created to be at the service of the citizen. One must therefore review the forms of interaction between authority and citizens. The everyday practices that we observe in the relation of citizens to authority in all areas reveal that many government officials have an unsound, erroneous conception. They consider it their right to belittle citizens and sometimes even look down on them. This should not be. The organization is giving it the necessary attention; but it is a vast subject, open to solution through a broad historical process, since it involves administrators becoming saturated with democratic values. This is something very difficult. The organization is following it closely and is fighting for it. It is shouldering its responsibilities by exposing what must be exposed. We must give more importance to the subject than we have done until now. It is a matter that will be the object of struggle in coming years.

[AL-MITHAQ AL-WATANI] In the ongoing discussion of human rights in Morocco, some people want to link the discussion with other problems, such as development or the environment. Can one arrive at a linkage between the development process and human rights in Morocco? What speed should be given to human rights development so that it keeps pace with the development process that everyone is pressing?

[Nasry] A good question, for one cannot separate the different levels of development. Human rights in my view are not merely a means or expression of development, but are the other side of it. Respect for human rights is an indication that one is present in a development-oriented environment.

I would cite an example from American political science, which has been able to base the concept of political development in the context of economic development. Personally, I therefore consider the human rights issue one of the fundamental components of economic growth. I go even further and say that economic growth cannot exist without political development and that economic growth and social development cannot exist in the absence of human rights.

In this context, we find that many governments have welcomed liberalism in the economic area, but have then shut the door. Yet economic liberalism cannot exist

without political liberalism. It is a real dilemma. Neither growth nor development can exist, nor will historical progress take place, as long as human rights are not respected, and as long as the principles of governance by law, one of the fundamental components of human rights and democracy, are not yet respected. These are essential things.

[AL-MITHAQ AL-WATANI] In brief, three words—political science, human rights, and university instruction in Morocco?

[Nasry] For me, this trio forms a homogeneous unity. I cannot imagine teaching political science except in a liberated academic context, and I cannot imagine liberation without its natural meaning, which is human rights. Thus, I cannot think of dealing with the university problem or the problem of political science research except as a constituent part of human rights, freedom of thought and expression, and freedom of research. So I consider this triad to be three faces of the same category of action toward rationalization. That is how I think of political science; that is how I think of university research; and that is how I think of the meaning and origin of human rights.

[AL-MITHAQ AL-WATANI] The king's recent speech contained strong assurances about governance by law and holding elections. What is the outlook for the coming period in Morocco?

[Nasry] For me it goes without saying that we must deal with old historical accounts in a new way, one that differs from how they were dealt with in earlier experiments. Those experiments revealed their drawbacks. I might almost say that they revealed themselves to be sterile, because they led to what to my thinking is dangerous—very dangerous: a rupture between political society and civil society. This to my mind constitutes a negative phenomenon that may lead to society's paying the price. This means that we need another rupture, a political and historical rupture with the practices of marginalization, the practices of fear of the nationalist movement and democracy, the practices of guarding against human rights activists, and the practices of covering up and falsifying the popular will.

I say quite frankly that we must not fear what the ballot boxes will produce. One can deal with them with complete trust and honesty. Morocco needs to know its real political map. Let what will be be, as long as all participants in the political map agree on a minimum regarding sacred matters and core institutions. The rest is open to debate, discussion, private judgment, and various opinions. Thus I believe that the democracy that Morocco needs within the bounds of respecting these components and constants is an open, responsive, and unabashed democracy, one based on honest elections in the full sense of the word "democracy," whatever results these produce. As long as everyone agrees to respect sacred matters and the democratic game and its conclusions, let everyone participate, and let everyone respect everyone.

[AL-MITHAQ AL-WATANI] What are the mechanisms for regulating elections? Is it by means of a national government in which the political parties participate, or by supervision of the judiciary? The slogan in the country is, "Guaranteeing the honesty of elections," but we find no one to provide the necessary techniques to bring this about.

[Nasry] I do not have a clear answer to this question. All I can say now is that if there is agreement on what is fundamental, the question of mechanisms will remain an easy issue to decide. What has to be agreed upon is the effective political will to deal freely and honestly with these elections. That will open the way to many technical options. There is the possibility of a national coalition government with the limited job of supervising elections. Or it could be charged with a number of urgent issues in addition to supervising elections—perhaps a plebiscite about [Western] Sahara. There is the possibility of forming a council or a flexible body whose task would be to supervise the honesty of the elections and actually provide the means to monitor their honesty. In other words, the mechanisms are various and can be considered later. Thus, the question is premature.

Casablanca's Export, Industrial Economy Profiled *91AA0315B Rabat AL-ALAM in Arabic 2 Apr 91 p 5*

[Article: "Pillars of Casablanca's Economic Activity: 4,106 Import Units; 25 Principal Banking Headquarters; 48 Insurance Companies; 1,720 Hectares for Industrial Sector"]

[Text] Commercial activity in the city of Casablanca, which is thought of as the backbone of the national economy, depends on the important role played by its port, because it is one of the largest of the African ports. It attracts more than 70 percent of the activity [words illegible].

After the port comes the role of its business center for the Third Sector, located in the Sidi Belyout commune on nearly 600 hectares, i.e., close to 3.6 [percent] of Casablanca's urban area. It contains the most important principal financial headquarters of banks, lending institutions, and insurance companies, as well as commercial headquarters. Here we find along Muhammad V and Hassan II streets some 25 main headquarters for banks and agencies, and 48 insurance companies, in addition to an important number of units—4,106—specializing in imports, whose types of activities are distributed as follows:

- Commerce: 2,215
- Industry: 1,570
- Construction: 115
- Services: 95
- Agriculture: 54
- General contractors: 36
- Energy and minerals: 12
- Deep sea fishing: 9

With regard to major commercial units, they are concentrated in the southeastern part of the commune, where wholesale stores, import-export companies, livestock breeders, and storage depots are located. As for industry, Casablanca is considered the hub for this activity, because it encompasses establishments and basic industrial contractors that give it 59 percent of the total industrial establishments in the city, and nearly 60 percent of the jobs on the national level. The area of the industrial zones measures more than 1,720 hectares, and they are concentrated in the prefecture of Ain El Sebaa, the El Mohammadi Quarter, and the prefecture of El Mohammedia Znata. They include agricultural and textile industries, and the chemical, mechanical, and mining industry.

According to urban planning reports, it has been decided to set aside 800 hectares for industry. This will be concentrated around Casablanca in the rural communes of Dar Bouazza, Bouskoura, Tit Mellil, Mediouna, and Ain Harrouda, as well as in the prefecture of El Mohammedia Znata.

SAUDI ARABIA

Plan To Manufacture Helicopter Described

91AE0365A Jiddah ARAB NEWS in English
15 Apr 91 p 2

[Article by Muhammad al-Sallum]

[Text] Riyadh, April 14. Saudi Arabia will manufacture its first helicopter (model 360) by the middle of 1993 under the Economic Offset Program, Prince Fahd Ibn-'Abdallah, assistant to the defense and aviation minister, announced here yesterday.

Speaking to ARAB NEWS, Prince Fahd, who is also president of the program's executive committee, said a major space communication company specialized in construction of satellite bases will soon join the program.

So far, six firms have been registered under the program drawing a total investment of SR[riyal]20 billion (\$5.33 billion) of which foreign capital constitutes 50 percent.

He said shares of two offset firms (Al-Salam Aircraft Co. and Advanced Electronics Company) will be floated in the stock market after getting approval from concerned authorities. Subscription may not be limited to the Saudi shares only.

The multibillion riyal program's objectives included opening of new investment opportunities for Saudi companies and businessmen apart from transfer of modern technology and provision of more job opportunities for Saudi youths.

"The program will also help expand the Kingdom's revenue resources and meet Saudi market requirements," he added.

He affirmed that the Gulf crisis triggered by Iraq's Aug. 2 invasion of Kuwait had not affected the program, but, he said, the allies' victory strengthened Saudi Arabia's credibility in the international arena.

The crisis had not changed the program's priorities, "rather it reaffirmed the significance of these priorities," he said adding that many foreign firms have expressed their desire to join the program after the crisis.

He said the program was making tremendous progress with the support of top government officials. He noted the facilities being provided by the authorities for the offset projects at King Khaled International Airport here. Moreover, the offset firms also enjoy benefits of special tariffs, enjoyed by other industries, he added.

He said the model 360 copters will be manufactured with the cooperation of specialized international companies. "The aim is not just meeting the need of Saudi market, we also intend to export helicopters in future," he added.

Prince Fahd dismissed the possibility of investing part of the program's SR20 billion capital abroad, "because the aim is setting up of modern industries inside Saudi Arabia."

Prince Fahd said the aircraft company was a strategic-commercial project and "once its viability is proved locally marketing abroad will be easier."

On employment of Saudis, he said: "Contracts with foreign firms include terms on employing and training Saudis," adding that 100 percent of offset employees will be Saudis.

Coordination is under way among the offset authorities, National Manpower Council and the General Organization for Technical Education and Vocational Training to prepare Saudi youths for the offset projects.

He said the aviation company will also undertake maintenance and assembling works as well as making of aircraft parts.

An American offset company, Alsalam's 50 percent stake is owned by the Boeing Industrial Technology Group which won the Peace Shied [as published] defense contract. The remaining shares go to its Saudi partners: Saudia (25 percent), the Golf Investment Corp. (10 percent) and Saudi Advanced Industries Co. (5 percent). The company has signed an SR260 million contract with Bin Laden Group to construct its facilities in Riyadh.

Other offset companies are: Saudi Propulsion Center, Advanced Electronics Company, International Systems Engineering, Aircraft Accessories Center and Digital Telecommunications.

BANGLADESH

Papers Report Ershad Activities, Trial

Remarks to Newsmen

9IAS0941A Dhaka THE BANGLADESH OBSERVER
in English 4 Apr 91 pp 1, 8

[Quotation marks as published]

[Text] Former President and Jatiya Party Chairman Lt. Gen. (rtd) H.M. Ershad on Wednesday said that as an elected member of the Parliament and leader of Jatiya Party Parliamentary Party (JPPP) he would sit in the House beginning its first session on Friday. He asserted that it was his right to take part in the Jatiya Sangsad session.

Talking to newsmen at the Sangsad Bhaban immediately after his oath-taking along with his party MPs [Members of Parliament], the former President said that he and his party would play a constructive role in the Parliament. Talking about his feeling after the oath-taking as an elected member of the Parliament, he said that he was feeling good to come to a free atmosphere spending four months under detention.

The former President who was elected from all the five seats he contested from his home district Rangpur in the 27 February parliamentary election in which his party won 35 seats, said that the election was free but not fully "fair." He protested that his party was not given equal right for election campaign in radio, TV and mass media and many of his party Ministers could not take part in the election and campaign freely because of warrant of arrests and lack of administrative protection. It was expected that as per democratic principle, his party would get equal opportunity during the election campaign. Had there been free and fair election campaign, the election result could have been different and "we could be in power," he claimed. He, however, expressed his satisfaction that despite all adverse situations his party emerged as the third majority party in the Parliament with peoples support and he congratulated the people for their mandate in favour of his party. He observed that his election from five seats and the victory of his Vice-President, Prime Minister and some other ministers in the election proved that he and his party was not condemned and rejected by the people as the Opposition had claimed.

Criticising their detention, the former President said that though he had repealed the Special Powers Act before resigning, he and his ministers were not being detained under this Act. He asserted that those who had been elected by the people should be released to show respect to the verdict of the people. In this regard he referred that in India former Prime Minister Mrs. Indira Gandhi was released after winning in the election though arrested on charge of murder.

Denying all the charges of corruption, misuse of power and illegal seizure of power, the former President said that he was innocent. He added that he would not say more on this as referring to the seizure of illegal arms from 'Sena Bhavan' would be subjudice now. He regretted that he and his wife were not allowed to be present and identify what was recovered from their official residence.

Asked to comment on the probe by international organisation 'Fair Fax' on his illegal wealth and flight of money from the country, he said "let us see what they find out." About the two crore Taka recovered from his residence, he claimed that the money was raised by his party and kept in his house to buy the office building of the party.

Asked to comment on his scandal with some women, the former President replied "why ask me this question keeping my hands tied, please ask those ladies. Replying to a question, he said that he still writes poems but "I cannot send those outside from my detention."

The former President who was asked about the killings during his tenure said "I am not responsible for those killings." He replied that he had no knowledge how many were killed when he was in power. He also denied that he never gave any order to kill anyone during the last days of his power. In this connection he referred to the killings of 12 persons during this government and "who will take the responsibility of those killings," he asked.

Replying to the question why he had to quit power, the former President said that he did not feel wise to stay in power when the opposition parties started violence and set vehicles of diplomats and foreign organisations on fire. He added that he resigned to stop further destruction of properties and loss of life. "Now let the people see how the country is governed," he said. He claimed that his name should be written in history as he had set an example by resigning voluntarily.

Asked whether he had to resign under pressure from the Armed Forces the former President said that the name of Army should not be brought in all matters and he denied that there was any pressure on him from the army. He added that he had built the armed forces and they were loyal to the government. He also denied that he used Army for his power.

Commenting on BBC report for asking apology to the people for his activities the former President said "If I have to seek apology why should I do it through BBC and foreign media, let me go to my people and I shall tell them what I have to say."

Asked between BNP [Bangladesh Nationalist Party] and Awami League which party he considers nearer to Jatiya Party Mr. Ershad avoided a direct reply and said smilingly "we are now in the opposition."

The former President was wearing a black blazer and a white trouser and he looked confident and at ease while taking his oath as the MP and addressing newsmen.

Later he went to have the meeting of Jatiya Party Parliamentary Party (JPPP) at a room inside the Sangsad Bhavan. When he was going to sign the necessary papers after the oath taking at the office of the Jatiya Sangsad Secretary the JS employees including the women staff crowded the lobbies to see him. Mr. Ershad waved to them and some of them reciprocated.

Incidentally Awami League Parliamentary Party had its scheduled meeting at the room of the Opposition Party in the Sangsad Bhavan when the JPPP started their meeting with former President Ershad in the chair. Awami League leaders protested to the Home Ministry and the Sangsad Secretariat how Ershad, Moudud and Mahmudul Hasan who are under detention could hold meetings. They objected that police brought them for their oath taking not to allow them to hold meetings freely. Awami League leader Md. Nasim, MP told newsmen in the Sangsad Bhavan that he had expressed their protest to Home Secretary.

Following Awami League's protest the Home Ministry told the Sangsad Secretariat not to allow Ershad, Moudud and Mahmudul Hasan to continue the meeting. A Sergeant-at-Army of the Jatiya Sangsad went to the meeting venue and conveyed the decision. The police then escorted Mr. Ershad out of the Sangsad Bhavan at 12:30 p.m. for Gulshan where he is now detained in a house which had been turned into a sub jail. Earlier the police brought the former President to the Sangsad Bhavan at about 9 a.m. for oath taking.

Special security measures were taken for the oath taking of the former President and the JP MPs.

Case Filed

91AS0941B Dhaka THE BANGLADESH OBSERVER
in English 15 Apr 91 pp 1, 8

[Text] The Anti-Corruption Bureau has filed a case against former President Lt. Gen. (Retd) Hussain Muhammad Ershad, his wife Begum Ershad and four other persons including political leaders and government servants for allotting RAJUK's property worth about Taka four crore to false aggrieved persons at only Tk. [takas] 23 lakh 22 thousand 60 for securing financial benefits in collusion with each other by abusing power reports BSS.

The four other persons involved in the case are: former Rajuk Chairman, Md. Rahmatullah, former Rajuk member Maj. (rtid) Kamrul Islam, former Minister and Chief Whip Abdus Sattar and one Abdus Sukur Prodhan, according to an official handout issued in Dhaka Sunday.

The handout said the Rajuk authorities invited applications through advertisements in daily newspapers for selling two plots in Kawran Bazar Commercial Area by

auction. The plot numbers were 49 and 49A and each comprised 21 kathas. The date of auction was fixed for 5 September 1985. The highest bid in the auction for each katha in plot number 49 was taka 193,550 and the bidder was Abdus Sukur Prodhan. The highest bid for each katha in plot number 49A was 192,000 and the bidder was one Golam Kibria. But the Rajuk authorities at a meeting held on 17 November 1985 decided to construct a building on those plots as the highest bids for the plots in the auction were not considered just.

At a later stage when arrangement was made for auctioning the plots some tax payers and others instituted three cases against the Rajuk authorities for keeping the auction in abeyance. When the cases were under way Abdus Sukur Prodhan and twelve other persons on 26 August 1989 claimed themselves as original aggrieved owners and submitted an application to the former President paying for leasing the two plots to them at the auction price of 1985. Within two days the former President directed the Rajuk Chairman to allot the plots to them at the earlier highest bid rate as aggrieved persons.

Later, on the basis of their application submitted on 11 September 1989, the entire land was divided into four plots namely, Plot No. 49, 49A, 49B and 49C and was allotted among them in four groups. In one such group, there were Md. Shahnoor Islam, Md. Sadeque and Aftara Begum and the new plot No. 49 of 12 kathas was allotted in their favour valued at taka 2,322,600.

The value of the lease money was deposited on 18 September 1989 and the applicants were given the possession of the land the next day. The lease deed was registered on 21 October 1989. On 22 October 1989 the so-called lease applied to Rajuk praying for permission to sell the land to Janata Publishers Limited for an amount of Taka 3,300,000.

On 25 October 1989 Rajuk approved the transfer of the land on the basis of the terms of the applicants and the sale deed of the land was completed on 2 November 1989.

Meanwhile, the Additional Deputy Commissioner (Revenue) Dhaka, in a letter on 8 October 1989 stated that none of the aforesaid applicants was originally aggrieved person. It is relevant to mention here that the conditions for the allotment were that the allottee must be an originally aggrieved person and that the allotted land could only be transferred after the construction of the building.

It was clear in the letter of the ADC (Rev) Dhaka on 8 October 1989 that none of the allottees was originally aggrieved person.

Without taking any initiative to determine the veracity of the conditions, the former President identified the applicants as aggrieved persons and directly issued orders for the allotment of the land which was absolutely illegal.

It may be mentioned here that an allottee can transfer the land only after constructing a building on the allotted land.

On 17 October 1989 Rajuk legalised the aforementioned transfer after removing the impediments by making amendments in the Para No. 20 of the lease deed.

The only motive behind all such activities was to transfer the costly land (Plot No. 49) at Karwan Bazar after influencing the former President and other officials by any means.

Janata Publishers Ltd. was formed on 26 October 1989 after showing Rowshanara Begum as Chairman and the former Minister of the Jatiya Party and Chief Whip Mr. Abdus Sattar as one of the directors. It is doubtless, that aforesaid Rowshanara Begum, in reality, is the wife of the former President.

Although during the registration of the company her husband's name and present address were not mentioned with ulterior motive. It should be mentioned here that Janata Publishers in their application for obtaining loan from Uttara Bank showed the value of the land at Taka four crore.

It is apparent, under the circumstances that the former President H.M. Ershad secured financial benefits to the tune of Taka four crore for his wife Begum Raushan Ershad and others illegally by abusing his power and in collusion with others. This is a punishable crime under the Anti-Corruption Act, 1947 and Bangladesh Penal Code, the handout added.

Overseas Wealth Unearthed

91AS0941C Dhaka THE NEW NATION in English
15 Apr 91 p 1

[Article by Matiur Rahman; quotation marks as published]

[Text] Fairfax, the U.S.-based investigation agency has got positive indications of a fabulous amount of money in foreign exchange that ousted President H. M. Ershad had secretly funneled out of Bangladesh and assets in Maryland, California and New York in the United States.

According to a highly placed Government sources, Fairfax in its initial report to the Bangladesh Government recently informed about the secret money to the tune of 50 million U.S. dollars (equivalent to over Taka 180 crores) that Ershad kept in the form of 'capital notes' in a bank branch based in the U.S.A.

During his hey-days while in power, Ershad is learnt to have purchased the capital notes in foreign exchange worth 50 million U.S. dollars through the Bank of Commerce and Credit International (BCCI) branch in New York, the source said and added the privately-run agency also found what it called the 'lead' meaning

indications or clues of Ershad's secret assets worth millions of dollars in Maryland, California and New York in the Untied States.

Fairfax is sending another team of its investigators to Dhaka some time next month for further examinations of the cases locally and consultations with the Government officials in this regard. The agency earlier sent a team to Dhaka in February last in connection with its investigations since it was commissioned by the Interim Government through the Bangladesh Embassy in Washington in December last soon after the ouster of Ershad from power.

The investigation agency also got positive clue of another amount of Taka six crore taken by Ershad from the Uttara Bank Limited, a private bank in Bangladesh allegedly through illegal means while he was in power as President of the Republic.

Meanwhile, the legal adviser of the Foreign Ministry, Mr. Shamsul Morshed, who had been in New York for more than a month in connection with the Fairfax investigations into Ershad's secret money and assets, returned to Dhaka Saturday.

Moved to Dhaka Jail

91AS0941D Dhaka THE NEW NATION in English
20 Apr 91 pp 1, 8

[Text] Deposed President Hussein Muhammad Ershad was shifted to the Dhaka Central Jail from Gulshan sub-jail on Thursday night under strict security, according to jail sources.

The former president who relinquished his power on 6 December last year in the face of mass movement against his nine-year long autocratic rule, had been interned in Gulshan sub-jail since his arrest on 12 December under the Special Powers Act. He was put under preventive detention in a government house at posh Gulshan residential area along with his wife Begum Rawshan Ershad and son Saad Ershad. But Begum Ershad and Saad Ershad are still in the Gulshan sub-jail, the sources said.

The Dhaka Central Jail authorities received the former President at the jail gate at about 11:15 p.m. when he was escorted there by two senior police officials.

Strong security measures have been taken inside the jail. A special 18-member team comprising BDR [Bangladesh Rifles], police and jail guards had been deployed around his two-room cell known as "Purana Hajat" (Old cell) in addition to normal security measures.

On 10 April last, Prime Minister Begum Khaleda Zia declared in the Jatiya Sangsad that she would take steps to transfer the deposed president to the Central Jail soon. Parliament members, belonging to both Treasury and Opposition benches were unanimous on sending Ershad to the Central Jail immediately.

The ex-President is already facing charges in the Special Tribunal for keeping unlicensed arms at his Cantonment residence and possessing cash amounting to about Taka two crore disproportionate to his ostensible sources of income. Several cases were instituted by the Anti-Corruption Bureau against Ershad for abuse of power and squandering state funds.

These include allotment of Rajuk plots valued at Taka four crore to fake aggrieved persons at throw away prices, bungling in the purchase of ATP aircraft, approval of over a dozen unnecessary foreign trips of his wife as VIP at the cost of huge state funds and his frequent trips to the Pir of Atrashi by government helicopters.

Major political parties and the All Party Students Unity (APSU) had been demanding that Ershad should be shifted to the Dhaka Central Jail from the sub-jail.

It may be recalled that a three-member enquiry commission set up to investigate the allegations of corruption, malpractices and misuse of power against the former President and some of his ministers examined 53 allegations against them. It found sufficient prima facto evidence in respect of 43 allegations. The commission submitted the first part of its report to the Acting President Mr. Justice Shahabuddin Ahmed on 31 March.

Shifting Hailed

BSS adds: Sammilita Sangskritik Jote has congratulated Acting President Justice Shahabuddin Ahmed and Prime Minister Begum Khaleda Zia for sending accused former President Ershad to Central Jail.

In a statement Mr. Faiz Ahmed, convenor of the jote, said since the fall of the autocratic ruler, people have been demanding his transfer to jail, a press release said. The Prime Minister recently pledged in the parliament to shift Ershad to jail, the statement mentioned.

Mr. Ahmed demanded immediate arrest of absconding former Prime Minister Kazi Zafar Ahmed, other absconding ministers, their associates, the neo rich and their hired hoodlums, the press release added.

U.S. 'Lobby'

91AS0941E Dhaka THE NEW NATION in English
5 Apr 91 p 1

[Quotation marks as published]

[Text] Despite the fact that ousted President H.M. Ershad is being tried by an open court of law on specific charges of keeping unauthorised arms and fabulous amount of cash money in his possession, two U.S. Congressmen had expressed concern at what they called "treatment" being done to him.

The two U.S. Congressmen, Mr. Tom Lankas and Mr. John Peter sent a letter to acting President Justice

Shahabuddin Ahmed on 15 March as Co-chairman of the Washington-based 'Congressional human rights caucus' expressing their "deep concern."

The two Congressmen in their joint letter, however, could not mention any specific charge regarding treatment that violates human rights or any established norms practised internationally about any detainee.

According to a diplomatic source, the human rights organization of which both Mr. Lankas and Mr. Peter, is not aware of any violation of human rights, and they did not have facts and correct situation or else they would have refrained from writing such a letter.

The source said the moves are often inspired by lobbies fed by some vested circle or quarters for their own benefit.

The United States, being one of the most advanced democratic states, the source pointed out, has also lobby system for hire and they often react in such a manner without prior investigations and informations under the influence of the vested quarters serving sometime even individuals. But these are generally corrupt ones.

In this regard, it may be mentioned here that ousted President Ershad during his hey-days in power, got some persons of important stature in the United States for which he could attend even some private parties during his visit to the USA.

When asked, a Foreign Ministry official said that the Government duly reacted to such appeal from the two U.S. Congressmen and informed them immediately about the correct situation regarding detention of Ershad and his trial by a court of law.

The political circle in Dhaka expressed its surprise why the Congressional human rights caucus kept silence when General Ershad had overthrown an elected Government and remained in power for about nine years which was full of incidents of human rights violation.

Unlike many countries in the world, the circle pointed out, Ershad being one of most discredited ruler and an autocrat, has been rather receiving far better treatment in Bangladesh after his ouster from the power. According to the law of the land, he is being tried on specific charges of corruption, crimes and abuse of power.

During his detention, Ershad was even allowed to contest the just concluded parliamentary polls and got elected from his home district though on wrong statement and false accusations, the circle said. Ershad even instigated regionalism during his election campaign through his campaigners in the polls.

The government circle, however, may go for further investigations into all these allegations being charged by different quarter for just mere embarrassing the Bangladesh Government.

INDIA

Punjab Talks Termed Illusory

91AS0596A New Delhi JANSATTA in Hindi 2 Feb 91 p 6
[Article by Antinderpal Singh: "These Negotiations Are Illusory"]

[Text] The news media tried to look for many possibilities after the 28 December talks between Prime Minister Chandra Shekhar and Simranjit Singh Maan. There was also excitement among the political parties. The future possibilities are still hidden, however, what we do see are the limitations both leaders face, their political pride, and the truth glaring at the future.

Chandra Shekhar had the question of his own image. Chandra Shekhar needs to validate the policy over Punjab that he has been following. The prime minister does not want to give anyone the opportunity to say that he did not take any initiative over the Punjab issue. He smartly played on Mr. Maan's ambitions and selfish designs and threw the ball into his court and also salvaged his image.

This meaningless strategy in the talks have given Mr. Maan the impression that he has emerged as the sole leader of the Sikhs. It appears correct for a few minutes, but it is not practical. Therefore, we can say that both sides did not pay any attention to national interests, but focused on their selfish reasons. The purpose of this propaganda and exhibitionism is not to benefit Punjab, Sikh, or the nation. The nation or the Sikhs should not be eager to take a sigh of relief. There are several reasons for our reaching this conclusion.

The government does need to talk with any Sikh leader when it comes to starting a democratic rule in Punjab. This should begin automatically. If this is one of the results of the talks, then nothing else will be possible since the youth in Punjab are not asking for a democratic government. The government, however, is trying to give this impression. Therefore, we cannot expect the needed results.

These talks were not a dialogue in real sense. This was analogous to a leader of any organizations coming to see the prime minister and presenting him with a memorandum and the prime minister accepting it. That is exactly what happened there. The government had neither sent an invitation nor provided an agenda. However, Mr. Maan has used it for publicity and has tried to deceive the people of Punjab. At the same time, the prime minister did not miss this opportunity to improve his image.

As for the unity among various Akali Dal factions, the picture is still deceiving since none of the Akali Dals have fallen apart. All they did was to elect Maan as their representative to talk with the prime minister. Now they have also authorized Maan to bring unity to the party. The party factions did that very smartly. They did not

break up their own party. The Akalis are also using Maan for their political future. Giving him such an authority does not show that they are united.

There is a distinct contradiction between the statements made by Chandra Shekhar and Maan, but neither is issuing any clarification. However, Chandra Shekhar did try to make it clear in Chandigarh that whatever Mr. Maan is telling the Sikhs in Punjab was not discussed with the prime minister on 28 December in Delhi.

The reference to Article 51 of the constitution is beyond my comprehension. Talking about Article 25 seems to be appropriate; however, Article 51 does not say anything about self-determination. Article 25 does not mention self-determination either, however, it allows the Sikhs to call themselves a separate ethnic group. There is no need to worry about Article 51 and Mr. Maan has used it only to deceive the Sikhs. It is beyond our comprehension how Mr. Maan is using it to demand self-determination. The truth is that this Article guides the country's policy toward other nations within the framework of our constitution. If Mr. Maan is demanding the right of self-determination according to international rules, then this interpretation is solely his own.

In Article 51 (A) basic duties of all Indian citizens are included and it has been clearly delineated that (a) they must follow the constitution and respect the national ideals, institutions, flag, and the anthem, and (b) defend India's sovereignty, unity, and keep it one, etc.

Until Mr. Maan clarifies his stand on the issues that come under Article 51, we have to think that he has not understood the constitutional guarantees. These guarantees kill the issue of self-determination. Mr. Maan should at least explain to the Sikhs why is he trying to mislead them and why is he giving them false hopes by talking about constitutional guarantees that are not even there.

However, I am pleased that Mr. Maan has finally adopted one of the policies exactly as I had proposed. I had suggested we should include Kharkus in our talks with the central government. Mr. Maan could not rise above his selfish goals. Mr. Maan ignored me when I proposed the idea of recognizing the political leadership of Kharkus. Until all Akali groups cooperate and choose one path, nothing can be achieved in Punjab. Now, both Kharkus and the Panthak Committee have declared that they do not consider Maan as their leader. It would be delusive to hope much, considering Mr. Maan the sole leader of the Sikhs, and considering him the representatives of the Kharkus. If we accept this fact then we know that the talks between Chandra Shekhar and Mr. Maan do not carry much weight.

Anyhow, it would be stupid to expect any positive results from these talks because the Kharkus do not want what Mr. Maan wants. The issue of Punjab cannot be resolved by an economic package or by holding elections, the two things that Maan wants. As for inviting the Kharkus for talks, the situation is pretty deceiving. You have to first decide to recognize their political leadership before you

invite them for talks. The Kharkus are worried that if they agree with the demands Maan is making then they would be accused of following the path led by Akalis. They would be equally cursed and ostracized. They have to follow a path that helps them save their self-respect. The government and the nation also have their limitations. They make no effort to find practical solutions or common grounds for these two opposing forces.

Nonaligned Orientation Questioned

91AS0595A New Delhi JANSATTA in Hindi 4 Feb 91 p 6

[Article by Ray Singh: "How Can India be Protected?"]

[Text] India has fought one war with China and three and one-half wars with Pakistan to this date. Except for the 1971 Bangladesh War, none of these wars was decisive. It is interesting to note that peace talks began the same time as the wars were started. It would be better to say that efforts to establish peace began before the war did. Perhaps, this is the reason why the Indian leaders have this misconception that it is their duty to help stop every international conflict. However, the Gulf War is a very difficult situation and we must study the present national and international situation before we take a step.

Every Indian political party, regardless of whatever it is called now, is asking: Why is the Indian government silent about the Gulf War since it is affecting India's economy and the people? Perhaps, that is why Vidya Singh Shukla, India's foreign minister, and Digvijay Singh, his deputy, are paying visits to the capitals of several Arab and African nations as well as Iran and the Soviet Union. They know well that all important international figures, including the U.N. General Secretary Perez de Cuellar, have failed in their efforts. The question is not whether they succeed or fail, all Prime Minister Chandra Shekhar wants is to show that he is doing something to stop the Gulf War. Following the tradition of the foreign ministry, which is documented in many files, the prime minister has tried to calm the opposition by sending the foreign minister and his deputy to visit other countries. In a recent letter, Rajiv Gandhi, the Congress (I) president, has suggested a four-pronged program to the prime minister about the Gulf situation. The details of this letter have not been made public, however, the main suggestion was to replace the present United States and the 28-nation force with an allied peace force. This means that there is no legal ground for the existence of the present multinational force. Another suggestion mentions that there could be no peace in West Asia as long as the Palestine issue is not resolved; therefore, Iraq should be assured that an international group would be responsible for solving the Palestine issue if it leaves Kuwait. In other words, the former prime minister tied this war with the Palestine issue and thus agreed with Saddam Husayn's major demand which was thrown out by the U.N. Security Council.

Whoever had given this four-pronged proposal to Rajiv Gandhi has obviously no understanding of international politics or knowledge of the United Nations activities. It is important to remember that Prime Minister Chandra Shekhar had repeatedly said that he did not see any connection between solving the Palestine issue and Iraq's leaving Kuwait. He did say that resolving the Palestine issue was very important for peace in West Asia. Even Navalkishore Sharma, former general secretary of Congress (I), has said that Iraq's attack on Kuwait was such an irrational act that it left no room for any negotiations. Perhaps, he did not know that the leader of his party had met with the ambassadors from Iraq, PLO, and other pro-Iraqi countries before he had submitted his proposal. It should be mentioned here that the leaders of both of our communist parties have welcomed this proposal. It seems that our communist leaders have not outgrown the Stalin era mentality. They are supporting the KGB and those anti-Gorbachev Soviet elements that want the Soviet Union to send either its armed forces or at least to send some military advisers to help Iraq in the war. When these communist leaders are asked how could India help establish peace if it takes sides, they have no answer.

It has been about one week since this four-pronged peace plan was discussed in India, even though the details of this plan have not been published. It is said that India's foreign minister and his deputy will discuss this plan with the leaders in the Soviet Union, Yugoslavia, Iran, Algeria, and Zimbabwe and then present it in the U.N. Security Council. Perhaps, this plan will be discussed since it does not tie the withdrawal of armed forces with the PLO issue. It suggests that an international peace conference be called to discuss the PLO issue after the Iraqi soldiers leave Kuwait. The most important factor in this four-pronged proposal is the cease-fire. This plan helps prepare Iraq to leave Kuwait during the cease-fire regardless of how brief it may be. This proposal gives the impression of giving a simple solution to establish peace. However, this proposal is being presented at a time when the situation is beyond such resolutions.

Both George Bush and Saddam Husayn are opposed to any temporary or permanent cease-fire and both have expressed their opinion openly. The 28-nation coalition force, which includes about a dozen Arab countries, has also indicated that it is against any cease-fire at this point. The United States and other countries believe that stopping war at this point will not only hurt their armed forces, but also will give an excuse for Saddam Husayn to declare a victory. The United States has said that Saddam Husayn was given a 45-day period and he could have saved the Gulf region from this war if he had so chosen. The possibility of a cease-fire at this point is almost nil. This cease-fire is the central point of the four-pronged plan and the whole plan is useless if this is not recognized.

There are many aspects of this plan which are not explained. For example, it does not give the minimum or maximum period for cease-fire. The proposal does not

mention within how many days after the cease-fire Iraq must start withdrawing its armed forces from Kuwait and how much time will be given to withdraw the whole army. No clear details of the international peace conference is given, either. We can say that this plan is like a kite which can only tell us direction of the wind. For a real flying job, a new kite and strong string will be needed.

The question arises: Does India have all this time? Will these neutral countries that India wants to work with to implement this plan be ready to agree on this plan in a short time? It is very important at this point because soon the war will be fought on the ground. The land armies are different and their psychological environment is very strange. The fighter pilots do not see the blood of the people killed on the ground and they do not suffer from vindictive emotions like the ground forces do. A cease-fire in a ground war only happens when one side has vanquished the other or both sides have so few weapons left that they have no other alternative but to stop fighting. That is what happened in the three wars fought between India and Pakistan. In this present war, neither side has a dearth of weapons and the time for a victory is not near either. This plan cannot be successful unless India submits it in the Security Council within the next 10-15 days. Anyway, too much time has already passed, and the political and military situations have changed so much that the chances of this proposal's success is minimal.

What we should do is to find out what protects our national interests. Since 1962—actually, even since 1948—India has tried several peace efforts at the international level and some of them have been successful to some extent. In 1956, for example, India helped then Egyptian president Gamal Abdul Nasser in establishing peace after the Suez War. India was successful in its efforts because both superpowers, the United States and the Soviet Union, wanted peace. Previously, India was not successful in its bid to have a truce in Korea; however, we earned a good name for ourselves in negotiations and by participating in international commissions. Similarly, India made a name for itself by chairing international commissions over the Laos, Cambodia, and Vietnam wars. In the 60's, India participated in the U.N. peace force sent to curb the Congo civil war and recently, India helped Namibia become independent and won respect for its efforts. India did earn a good name for itself and also did good deeds. However, the time has come for India to analyze how much it succeeded in protecting its interests, how much approval it received, or how much it invested in its interests while performing these good deeds. It appears that we have not defined our national interests appropriately yet. Several leaders have taken the lead in establishing peace at the international level, however, for only making a name for themselves. Their leadership helped them achieve their personal goals only. If the Indian people look at these efforts objectively and ask what did we win as a nation, we will learn that as a nation we only earned some name, but lost a lot of other things.

Benefits of Import Curbs Explained

91AS0876A Bombay THE TIMES OF INDIA
in English 5 Apr 91 pp 1, 11

[Article by Tapan Dasgupta]

[Text] New Delhi, April 4.—Import curbs imposed by the government have had a healthy impact on the country's foreign exchange reserves which as on March 31 stood at Rs [rupees] 4,500 crores, an increase of Rs 500 crores in just two months. With Japan about to release Rs 400 crores to meet local costs of Japanese aided projects, finance ministry officials are confident of tackling the balance of payment (BoP) situation till September end.

The earliest the IMF loan of about \$2 billion can be expected is the end of September. Although negotiations are going on in full swing, to be completed before the presentation of the regular budget, expected in July, about two months would be needed to tie up the loose ends and get the loan approved by the IMF board.

Along with the IMF, India is also negotiating a loan of about \$1 billion from the World Bank. Although it will be a separate agreement with the bank, the loan is linked with the IMF negotiations, for without the IMF loan, the bank loan will not be available.

With a total of about \$3 billion in the pipeline to be released quarterly over the next 12 to 15 months beginning October next, finance ministry sources affirm that it would be possible to tide over the balance of payment (BoP) crisis in the financial year 1991-92.

But that will not solve India's problem and the crisis will recur next year. The sources say that what India needs is a structural adjustment loan of an additional \$5 billion for a three-year period. But that will be a decision which the new government will have to take.

India's debt management obligations during April-September are estimated at about \$1.5 billion or about Rs 3,000 crores. On an import base of over Rs 40,000 crores a sum of Rs 1,500 crores in foreign exchange could be saved through the import squeeze itself. "It is absurd to suggest that a country like India may default for just about \$115 billion," the sources said.

Finance ministry officials are also certain that once the IMF loan is negotiated and a new government comes into power, India's credit rating will go up, allowing the country access to commercial borrowings. The grey area relates to the extent India will have to agree to both the stabilization and structural adjustment programmes on IMF's insistence.

Under the stabilization programme, the IMF will not be satisfied with just a reduction in fiscal deficit to 6.5 percent of the GDP [gross domestic product]. There is nothing sacrosanct about the figure of 6.5 percent. It was accepted by IMF officials of India's suggestion. But considering that the fall in imports have resulted in a

fault of excise revenue of nearly Rs750 crores already, adhering to the 6.5 percent norm may be extremely difficult. IMF officials may be persuaded now to accept a higher fiscal deficit, say 6.8 percent or even 7 percent, but there will have to be a ceiling on monetary expansion and an effective exchange rate adjustment along with fiscal adjustments.

The IMF's structural adjustment programme, which has wider implications, would consist of reforms in the public sector, the financial sector (which includes banks and insurance companies), trade policy reforms implying a reduction in import restrictions, and industrial policy reforms including a better environment for foreign investment.

All these do not have to be done in one go. The IMF also does not want any adjustment to be done in a manner that affects investments in education, health, and nutrition. Similarly with regard to food subsidy. The IMF wants not so much a reduction but that it should be better targeted.

The reforms in the public sector would include ensuring a minimum return on investments through higher administrative prices as also through improvements in productivity. Improvements in productivity can be brought about if the rise in wages is kept a degree below the rate of inflation. But whether the public sector employees will accept this or whether the government will be bold enough to enforce this is a million dollar question.

The public sector will also have to be subjected to what is called "hard budget constraints," that is, they would not be given budgetary support to meet their losses. This again, will be a difficult condition to fulfill, for many units may have to be closed down without such support. However, if as now, the public sector losses are met through increasing administrative prices or through budget deficit the rate of inflation would go up triggered first by sectoral price rises.

Fiscal reforms will also pose problems. While the IMF insists on a reduction in fiscal deficit, the need of the hour is fiscal reform meaning increasing tax revenue through a widening of the tax base and a reduction in the government's consumption expenditure. On all such issues there has to be a political and a social consensus. For if genuine reforms are not carried out, there is every danger of India landing in the IMF trap with the need for a loan arising every three or five years. This will undoubtedly affect the country's sovereignty in economic policy management, a point readily conceded by finance ministry officials.

IRAN

Khomeyni-Shahr Highway Construction Begins

91AS0880E Tehran ABRAR in Persian 14 Apr 91 p 9

[Text] **Operations for the 25-km "Khomeyni-Shahr" beltway have begun.**

According to a report by the IRNA correspondent, this highway, for which 2.5 billion rials in funds have been projected, will be operational within the next three years.

This beltway will begin near the Esfahan refinery, north of Khomeyni-Shahr and east of Najafabad, and will be connected to the beltway of that city.

One branch of the Najafabad beltway will go towards Khuzestan and another towards the steel mill highway.

The Khomeyni-Shahr beltway will have a 400-meter tunnel and, once operational, will play an important role in reducing the heavy traffic of western Esfahan.

Adverse Effect of New Foreign Exchange Policy on Students

91AS0882F London KEYHAN in Persian 25 Apr 91 p 4

[Text] The new foreign exchange rate for students eligible to obtain foreign exchange will cost about 13.8 billion rials more, and that cost will be borne by the families of the students.

The above point was made at a press conference by Ja'far Monfared, deputy minister of culture and higher education for student affairs. He discussed the problems of students abroad and the effects of the Islamic regime's new foreign exchange policies, and said that the effects of these policies are not desirable. He said: There are now 1,300 students on scholarships, 2,500 students obtaining foreign exchange, 5,000 eligible for military service foreign exchange, and about 4,000 using nonforeign exchange funds. In this way, it is possible to be in contact with them, and all programs are aimed at attracting them, but if these services are eliminated and if the prices of the dollar and airline tickets go up, we will not be able to be in touch with the students, and all the planning will be wasted.

In part of his speech, this official said: About 10 billion rials have been added to the budget to meet the difference in the cost of airline tickets for these students. Likewise, the difference in the foreign exchange rate for students on scholarship is about 10.6 billion rials, and in general, the ministry's foreign exchange budget cannot be used to compensate, because we need \$30 million for that and the ministry's entire budget is only \$70 million.

Continuing his talk, the deputy minister of culture and higher education for student affairs announced that about 50,000 students are now studying abroad. Of those, 37,000 are not in touch with the Ministry of Culture and Higher Education, and almost 50 percent of them are studying in advanced professional fields and doctoral programs.

In part of his press conference, Ja'far Monfared explained that the new foreign exchange policy will have undesirable effects on this part of implementing the work of higher education.

Continuing his press conference, Dr. Monfared told correspondents: One of the programs of the Ministry of Culture and Higher Education is to strengthen the supervisory offices for Iranian students studying abroad. He added: To guide the students academically and encourage them to return to the country during academic recesses, the supervisory offices have implemented plans in 17 countries. In the same connection, university professors familiar with affairs in the appropriate countries have been appointed as officials in six of the offices and introduced to the Foreign Ministry, and after they receive their orders from that ministry they will be sent to the site where they will supervise.

Airline To Obtain Six Fokker Planes

91AS0882E London KEYHAN in Persian 25 Apr 91 p 4

[Text] With the delivery early last week of a Dutch Fokker passenger plane, the Iran National Airline now has six new aircrafts of this type. With these new planes, the Iran National Airline will be able to meet some of its needs for aircraft, thereby increasing its present passenger capacity for foreign and domestic flights. HOMA's [Iran National Airline's] public relations office recently announced that the delivery of the Dutch Fokker aircraft fulfilled a contract signed previously between HOMA officials and officials of the huge Dutch Fokker aircraft industries. The contract provided that within one year six Fokker F-100s would be delivered to the Iran National Airline. A report from Tehran states that the sixth Fokker aircraft landed in Tehran at Mehrabad Airport early last week and immediately joined HOMA's domestic flight network.

Production of Agricultural Goods Declining

91AS0882H London KEYHAN in Persian 25 Apr 91 p 4

[Text] Despite the agricultural growth target under the Islamic Republic's Five-Year Development Plan of 6.1 percent average growth per year, in the year 1368 [21 March 1989 - 20 March 1990] this sector did not even grow at a rate of 1 percent, and figures published by the Plan and Budget Organization show that for the year in question many of the figures show a decline in production compared to the year 1367 [21 March 1988 - 20 March 1989]. With regard to the 1368 economic report, experts in the Islamic Republic's Plan and Budget Organization announced that in that year agriculture grew only at the very low rate of 0.8 percent, and this is much less than the target rate set in the Five-Year Development Plan. According to the plan, agriculture was to have grown 4.2 percent in 1368, so that over the entire period of the plan growth should have registered 6.1 percent. However, according to estimates on capital investments in this sector, the announced targets have not been reached. The cooperation between the private sector and the government in this area has not produced the expected results. Agricultural statistics and information for the year 1368 show that production has dropped for many of the important and basic agricultural crops,

and it has dropped significantly compared to the year 1367. According to this report, wheat production has dropped 22 percent, sugar beets 33 percent, sugar cane 4.7 percent, wood 20 percent, onions 32 percent and potatoes more than 49 percent. On the other hand, production of some agricultural crops, including cotton, rice, fruit, vegetables, summer crops and oil-bearing seeds have shown low to average growth. The 1367 economic report explains that in that year there was absolutely no growth in the production of livestock and wood harvested from the forests.

Prices Raised With Increase in Salaries

91AS0882K London KEYHAN in Persian 25 Apr 91 p 2

[Text] The increase by 2,000 tomans in the salaries of government employees and 1,000 tomans in the pensions of government retirees has brought on a new wave of high prices. Although the increase in government employee salaries has not yet gone into effect, the hasty spread of news about it intended to reduce the dissatisfaction of government employees has meant that the prices of most government goods and services have gone up rapidly. A report regarding this printed in KEYHAN of Tehran states that after the propaganda uproar about the salary increases, the price for taking a bath in bathhouses went up from 12 to 20 tomans per person.

Hours, Pay Reform for Civil Servants Approved

91AS0834M Tehran KEYHAN in Persian 18 Mar 91 p 3

[Text] KEYHAN political service. The open session of the Majles was held yesterday morning with Hojjat ol-Eslam Hoseyn Hashemian presiding.

In this session, the details of the draft bill which determines the working hours and reforms the civil servants' pay chart was studied and discussed, and one bill with 13 articles was ratified.

Based on these articles, the amount of pay increase and the group and basis for the promotion of civil servants were determined.

Below, is the report on the agenda of yesterday's Majles session.

In the continuation of yesterday's session, the details of the bill to determine the working hours and reform the salary chart for civil servants was discussed. Movahhedi-Savoji proposed the omission of one article and its notes concerning the reduction of the working hours of civil servants. This proposal was put to a vote after speeches from supporters and opponents and was ratified.

Then a bill including several articles was presented, and supporters and opponents, as well as the representative of the executive branch offered explanations.

The draft bill was then read, put to a vote, and ratified as follows:

Article 1. The salaries of the official employees subject to the national employment law shall be equivalent to the result of multiplying the salary factor cited in Article 33 of the above-mentioned law by the base number, to be determined on the basis of education and group in accordance with the details of the following chart, which will replace the chart for salaries in Article 32 of the national employment law.

This chart includes the level of education, group, and base number.

Completion of elementary school or less: Group 1, the base number is 380; completion of junior high school: Group 2, 430; and Group 3, 470.

Completion of high school: Group 4, 510; Group 5, 550. Completion of associate degree: Group 6, 600; Group 7, 650. Completion of bachelor's degree: Group 8, 710. Completion of master's degree: Group 9, 770; and Group 10, 830. Doctoral degrees: Group 11, 890.

Note 1. The numerical distances of the bases of consecutive groups beyond Group 11 will be 60.

Note 2. The base numbers of the monthly salaries of the high-ranking officials are determined as follows:

- A. Deputy ministers, 1,300.
- B. Governors general and ambassadors, 1,400.
- C. Ministers, Majles representatives, vice presidents, deputies of the judicial branch and head of the national accounts tribunal, 1,500.
- D. First vice president, deputy speakers of the Majles and members of the Council of Guardians, 1,600.
- E. Heads of the 3 branches, 1,700.

Note 3. The above-mentioned officials, after their tenure, will come under Groups 13-17, respectively, of the above chart, and the salaries of each will be determined on the basis of the base numbers of the related group.

Article 2. From 1 Farvardin 1370 [21 March 1991], employee salaries will be determined each year by taking into consideration their acceptable omission in the previous year [as published] as follows:

The salary of each year will equal the salary of the previous year multiplied by (one plus the annual increase coefficient). The annual increase coefficient will be 3, 4, and 5 percent based on the evaluation of the employees.

Note 1. With regard to employees whose salaries are adjusted in accordance with the first law, for each year of service until the end of 1369 [20 March 1991], they will receive an annual increase of 3 percent of the base salary of their particular group, which will be determined on the basis of their education.

Note 2. The annual increase for each official in Note 2, Article 2, will be calculated on the basis of the related base numbers.

Note 3. Those subject to Note 3 of Article 1, if employed in any one of the government establishments or revolutionary institutions and establishments, who become subject to the law, if mentioned by name, shall receive an annual increase on the basis of the base numbers of their related groups.

Article 3. The chart and procedure for the promotion of the employee's group will be determined with regard to the value of the task, level of responsibility and importance of duties, education and evaluation of the employee, and will be the basis for action when the salaries and benefits of civil servants are adjusted and also in the implementation of Article 2 of this law.

The number of groups that can be allocated to each educational rank will be determined according to the above-mentioned factors; these will be from five to seven groups.

Note 1. The salary of employees who receive group promotions will be determined on the basis of the base number in the new group in addition to the annual increases in the previous group.

Note 2. Employees whose jobs are specialized and complex and are highly sensitive or have special or uncommon skills will come under one of the groups of the chart in Article 1.

Note 3. Employees who have attained or will attain the high rank of martyrdom will always come under two groups above those employees working in similar ranks, and according to the specific group, they shall receive annual increases as before.

Note 4. The government may in the following instances grant employees one or two bonus groups in addition to their appropriate group.

- A. Freed POWs.
- B. The self-sacrificers of the Islamic revolution.
- C. Combatants who have served at least nine consecutive months or one year nonconsecutively in the front of the war of truth against falsehood.
- D. Managers.
- E. Employees who have served with distinction.

Article 4. Employees whose informal education is comparable to that of a person holding an official educational degree shall be entitled to the same rank as that of one holding an official educational degree.

Article 5. From 1/1/1371 [21 March 1992], the minimum extra pay for working employees will be determined at 25 percent of the base salary of the related

group, which can be increased based on the type of work, duties, and responsibilities, up to 75 percent of their base pay.

Note 1. The extra pay of those in management and supervisory positions, in addition to the extra pay for the job stated in this article, may be increased up to 25 percent of their base salary.

Note 2. The extra pay of that group of employees who have specialized positions, such as research and education, in addition to the above may be increased up to 25 percent of their base pay.

Note 3. The present amounts of payment under the heading of extra pay shall remain in effect without any changes until 1 Farvardin 1371 [21 March 1992].

Article 6. Until the end of the trial period of the employment bylaws of the Majles employees, the chart in Article 3 of this law shall replace the average salary chart in Article 16 of the the same bylaws.

Article 7. Other government establishments having special employment regulations may, upon the suggestion of the highest official of the establishment and the approval of the Cabinet, may apply this law (national employment law) to the payment regulations.

Article 8. Any changes in the salary chart in Article 2 of this law, except in the anticipated case in Article 6 of this law, only apply to those who are eligible under national employment law. Others who are eligible under the employment laws must apply Article 7 of this law.

Article 9. From 1/1/1371 [21 March 1992], the government shall take into consideration the changes brought about by the implementation of this law to change and reform the percentage or amount of extra pay in Articles 39 and 40 cited in the national employment law within the framework of the ratified funds.

The extra pay amounts mentioned above shall remain in effect without any changes until 1/1/1371 [21 March 1992].

Article 10. From 1/1/1370 [21 March 1991], the salaries of judges shall be calculated as follows:

The salary shall equal the coefficient of the salary (base number added to the annual increase coefficient multiplied by the required years of service).

Note 1. The salary coefficient in this Article shall equal the coefficient of the salaries of the official faculty (teaching and research) working in or retired from the universities and higher education institutions ratified in 1368 [21 March 1989-20 March 1990] by the Majles and the subsequent changes.

Note 2. The base number and the order of the job group of judges who hold at least a bachelor's degree in law or its equivalent is determined as follows:

Group 1, 80; Group 2, 90; Group 3, 100; Group 4, 110; Group 5, 120; Group 6, 130; Group 7, 140; Group 8, 150.

Note 3. In calculating the salaries of those who hold judicial positions and hold less than a bachelor's degree or its equivalent (subject to the single article determining the situation of judges who have been working for three years in the prosecutor's offices of the revolution in judicial positions), 10 units shall be deducted from the base number of each group.

Note 4. The annual increase coefficient up to the end of 1369 [20 March 1991] is determined at four and from the first of 1370 [21 March 1991] at five.

Note 5. The regulations concerning the change of position and promotion of judges shall be on the basis of their experience in judicial affairs, education, evaluation, and competence with regard to the duties conferred on them based on bylaws to be proposed by the minister of justice and the approval of the judicial branch.

Note 6. The phrase, Justice Department judges, will be added to the title of Line 5 and Paragraph E of Note 43 of the 1364 [21 March 1985-20 March 1986] budget law.

Note 7. The extra pay of judges shall be on the basis of the amount stated in Article 5 of this law and its notes, upon the joint proposal of the Ministry of Justice and the national administrative and employment affairs agency, to be approved by the Cabinet.

Article 11. The retirement pay, disability pay, and payment to beneficiaries (total payment to beneficiaries) of judges and official employees cited in the national employment law and employees who are in terms of retirement and duties subject to the regulations cited and are members of the national retirement fund and have retired by 1/1/1370 [21 March 1991], become disabled, or died shall increase by 20 percent from the above date.

Article 12. From 1/1/1370 [21 March 1991], the retirement pay, disability pay and payment to beneficiaries (total payment to beneficiaries) subject to the law concerning the determination of maximum retirement and other payments ratified in Khordad 1361 [22 May-21 June 1982] shall be determined at twice the base pay of Group 11 of the chart of the salaries cited in Article 1 and a minimum of the base pay of Group 4 of the above-mentioned chart.

Note. The maximum retirement salary and payments cited in this Article applies to employees who are disabled or have died between 1/1/1370 [21 March 1991] and later.

Article 13. The bylaws to be implemented will be prepared within a maximum period of four months by the national employment affairs agency and ratified by the Cabinet.

At 1245, the open session of the Majles ended. The next session will be on Tuesday morning.

Efforts To Turn Kish Into Duty-Free Port*91AS0893B London KEYHAN in Persian 2 May 91 p 4*

[Text] The National Bank of Iran, with the participation of the private sector and the owners of production industries, has established an international market on Kish Island. The international market of Kish Island was opened and began operation on that island some time ago.

KEYHAN newspaper, published in Tehran, which reported on the opening of this market, wrote: "This market will be an important economic and trade center on Kish Island in the near future." The same newspaper added: "In the market, various goods, including household items and automobile spare parts, which are imported from manufacturing countries will be available for trade."

In turning Kish Island into a free commercial port, the Ministry of Commerce of the Islamic Republic of Iran is trying to expand the commercial activities in this region of the Persian Gulf and, by granting trade concessions to domestic and foreign merchants, to turn this island—like Dubai and other islands in the southern coast of the Persian Gulf—into a center for duty-free trade.

Drug Industry's Ownership Turned Over to Private Sector*91AS0893C London KEYHAN in Persian 2 May 91 p 4*

[Text] The pharmaceutical industries of several European countries displayed their pharmaceutical products in an international exhibition in Tehran. The participants in this exhibition, which was held in the middle of last week at the permanent site of the international exhibition in Tehran, included 14 large pharmaceutical companies from various countries and 47 domestic pharmaceutical companies.

Tehran newspapers announced that in that exhibition, pharmaceutical companies from Italy, Germany, Japan, Switzerland, Holland, Jordan, Yugoslavia, and South Korea participated and exhibited their products which are available to the Iranian pharmaceutical consumer market. During the opening ceremonies of the international pharmaceutical industries and the exhibition, the director of the center for expansion of exports announced that this year (1370 [21 March 1991-20 March 1992]), a total of 23 export exhibitions in various fields will be held and the Islamic Republic will take part in seven world industrial trade exhibitions. Engineer Nematzadeh, the minister of industries of the Islamic Republic, also took part in the opening ceremonies of the pharmaceutical industries exhibition and said:

"The production of drugs has increased 14 times from 1356 [21 March 1977] to 1369 [20 March 1990], such that, at the present, 90 percent of our pharmaceutical needs are produced domestically."

The minister of industries of the Islamic regime in Tehran revealed in his speech that, based on the latest decisions of the Cabinet, the Ministry of Industries intends to transfer the ownership of the government pharmaceutical industries to the private sector. The above-mentioned official pointed out that the National Industries Agency has been asked to take steps to transfer ownership from the government to the private sector.

Milk Subsidies Discontinued, Prices Jump Fourfold*91AS0893D London KEYHAN in Persian 2 May 91 p 4*

[Text] At the time of the discontinuation of the subsidy of milk consumed by the people, the price of every liter of this important food item was set at 18 tomans in Tehran and at 14 tomans in other cities. The decision to discontinue the variable price system for milk and the government's refusal to offer milk at 20 rials per bottle was made early last week by the economic council of the Islamic Republic and reported to the media by Vice President Masud Roqani-Zanjani.

In conjunction with the announcement of the decision concerning the discontinuation of government subsidies for milk consumed by the people, Engineer Moqaddamnia, the deputy minister for livestock affairs of the Ministry of Construction Jihad, took part in a press conference. Announcing that the price of agricultural goods will increase by more than 30-40 percent this year (1370 [21 March 1991-20 March 1992]), he said: "In the next 3 months, the price of milk will gradually decrease by 20 rials per bottle, and the price of this food item will be 90 rials for a half-liter bottle in Tehran and 70 rials for a half-liter bottle in other cities." Available reports from Tehran and other cities indicate that the wave of price increases in many areas continues and the rise in the price of goods and the daily increase in the inflation rate have had significant effects. The Islamic regime of Tehran in recent weeks has increased the price of vegetable oil, dairy products, meat products (kielbasa and sausage), airplane tickets, vital records registration fees, and some of the goods and services that are under government monopoly. In this way, the government has directly taken a major role in escalating the prices.

PAKISTAN**U.S. Said Encouraging Indian Aggression***91AS0601C Karachi JASARAT in Urdu 2 Feb 91 p 5*

[Editorial: "Whose Friend Are You?"]

[Text] Various sources have expressed the concern repeatedly that the United States is bent upon destroying Pakistan's nuclear program. It had tried to have India cooperate with Israel to use Israeli airplanes to destroy the Kahuta Atomic plant. They had decided to use Srinagar's airport for this purpose. It was also learned

that Israeli planes were painted to make identification impossible. However, Pakistan got wind of this plan and it was canceled. Many experts and leaders have expressed this concern repeatedly that the United States wants to make Pakistani nuclear program ineffective at any cost. The United States has refused to believe Pakistan's assertion that its nuclear program is for peaceful purposes and it wants to use it for producing energy. Military and economic aid to Pakistan was stopped last October because of this crime which was never committed. It does not believe Pakistan and does not want to see any Islamic country becoming a nuclear power. It was also learned that the United States had encouraged India to destroy installations in Pakistan before the Gulf War broke out.

The situation has become so bad that Munir Ahmed Khan, chairman of Pakistan Atomic Energy Commission, is forced to say that the United States is determined to annihilate Pakistan's nuclear program and is putting all kind of pressure on Pakistan to achieve its demented goal.

Our government must be alert and be prepared because of the situation in the Gulf and the U.S. designs. Pakistan is a Muslim country and it has great interest in the Islamic world. The United States, after its experiment in Iraq, will take military action against any Islamic country that dares to challenge it. Therefore, our government should pay attention to Munir Ahmed's analysis and take steps to make sure that the United States or any other country does not look at us with an evil eye.

Reasons Behind Strains in Relations With U.S. Examined

9IAS0652A Karachi JASARAT in Urdu 5 Feb 91 p 3, 4

[Article by Abdulkarim Abid: "Why Strain Between U.S., Pakistan?"]

[Text] The anger and resentment against the United States among Pakistani people did not rise all of a sudden. This increased in drops and has started to flow as a full river now. The intensity of this feeling can be measured by the fact that our prime minister and the chief of army staff feel the same way as the people. Prime Minister Nawaz Sharif said in a speech some time ago that we must get rid of this begging bowl and try to live without this charity. The prime minister has repeated this feeling recently in these words, "The U.S. aid has been suspended. But when did we ask for it? We do not need this aid!" Mirza Aslam Baig, chief of army staff, made a stronger statement. He accused the United States openly of entering the Gulf by conspiracy and said that it would attack Pakistan after finishing with Iraq and Iran. The United States, according to General Baig, cannot bear the idea of Islamic military powers growing stronger. General Aslam Baig was actually addressing military officers, however, this speech became a message to the nation as it interprets the national mood. It is not a trifle that the head of our army is condemning the

United States in such a manner. Also, this military leader has always been known to be in the U.S. camp. The Moscow Radio has denounced this attitude in its commentary and wondered why Pakistani leaders have turned against the United States. The Moscow Radio declared that this change in attitude has resulted from Pakistan's great desire to make an atomic bomb. However, Moscow Radio used to comment in the past that the U.S. objections to Pakistan's atomic program were just for the sake of making objections and that the U.S. President always gave permission to provide aid to Pakistan even after knowing all the facts. If this was true then how come we did not get any aid now? Why has the United States taken such a rigid stand against Pakistan and why are Pakistan's top leaders openly condemning the United States? The Moscow Radio could not answer these questions and expressed its opinion that this false anger was being expressed just to get the aid reinstated. The question arises again: Why did the United States decide to stop our military and economic aid? It is clear that the basis of relations between the two countries has changed. The United States does not think that it needs Pakistan to deal with the Soviet Union now that the cold war has ended. It has arrived in the Gulf with its whole army and does not need Pakistan there and the Afghanistan crisis has been taken care also. The United States does not think that it has to flatter Pakistan now. At the same time, Pakistani people have this feeling that the United States was hiding behind the facade of friendship until now. However, now it wants to establish its superiority over Pakistan openly. The U.S. ambassador considers himself higher than the viceroys of the British era and wants to live like those merciless officials of East India Company. The attitude of the U.S. ambassador portrays the U.S. policy which has greatly hurt Pakistan's self-respect. The United States has always treated Pakistan as a hated shadow, however, it also knew logic. It referred to the Soviet Union's imperialist design, communism's anti-religious stand, showed us colorful dreams of economic progress, and created an environment in which Pakistan was compelled to think that it was a must to become a member of the U.S. bloc even though there were people in the Muslim League and the Jamaat-i Islami who considered this alliance inappropriate both from principle and practical points. They opposed it, however, the popular support for stronger ties with the United States was there as was the logical reasoning. Most of all, the Indian danger was there and neutrality was sacrificed to protect ourselves from this danger. The nation did not pay any attention to the objections raised against this alliance. The people did not object to our leaders establishing relations with the United States. They always thought it the right thing to do. The situation is different now. The people have no faith in the United States and our military and civilian bureaucracy is not willing to stand in front of the United States in a begging posture. It is obvious that the United States has angered a whole nation because of its wrong policies and attitude. It has made us so angry that even the most faithful segment of our nation is throwing the chains that bound it in the face of the United States.

There was a time when this group considered this chain its prized jewel. Let us ignore other people. Even a careful person like Ghulam Ishaq Khan has been forced to talk against the United States. Our U.S. friends should start to wonder how this revolutionary change has happened. It has been learned that our politicians are being asked for the reasons of this widespread anger among the people and the leaders. The United States wants to know the causes of this dramatic change. It can find the roots of this problem in its own attitude. The politics of the gulf have just come to light, however, the anger against the United States had started during the last general elections and this anger had helped defeat Mrs. Benazir Bhutto. The people had begun to believe that Mrs. Bhutto had not gained power on her own political merit, but was forced on Pakistan by the United States. This belief had led to widespread anger even though Mrs. Benazir Bhutto was very popular. The people reacted negatively at the way she was crowned the ruler of Pakistan. The pro-U.S. attitude put such ugly marks on Benazir that even her own supporters turned away from her in hatred. General Zia, her predecessor, was not a very popular leader. However, the people learned that he was killed as a result of an American conspiracy and a large segment of our population began to call him a martyr. This was a result of the anti-American feeling here. The people were even more infuriated when they found out that international economic agencies were pressuring Pakistan at the U.S. behest. The Pakistani people also learned that the United States wanted to keep Pakistan under India's control and does not even mention its nuclear program while is harassing Pakistan about its nuclear program. The United States has always disliked our Islamic identity and now is after our military and economic existence. It is using implementation of a democratic process as a pretext to have military and political forces in Pakistan fight each other. The way the United States conspired to achieve this goal was not something that could be kept hidden from the people. Everything was exposed gradually and the people knew that the United States was not their friend, but an enemy. The developments in the Gulf has also unmasked U.S. designs. We can understand what is being done to Iraq, but why is Saudi Arabia being persecuted? Saudi Arabia has formed alliance with the United States and has invited it as a protector. Now, the Western media is actively spreading negative propaganda against Saudi Arabia. The truth is that they are so anti-Islamic that they favor Iraq over Saudi Arabia and present Saddam Hussein as a hero when compared to King Fahd. The Western media is doing that at the orders of their bosses because they have come to Saudi Arabia to start an anti-religious rebellion. They do not care for Saudi Arabia or Kuwait. All they want is to play their games. However, these games have made not only Pakistan but the whole Islamic world angry against the United States. The United States should think seriously if it cannot afford enmity of the whole Islamic world. If it cannot, then it should announce cease-fire in the Gulf immediately and let Muslim countries solve their own problems. It should stop pressuring Pakistan to dissolve its military

presence, mortgage its economic future with U.S. financial companies for good, forget its cultural identity and ardently desire for Western supremacy. However, this will not happen and if the United States keeps insisting on it, it would be only sowing seeds of enmity in the Islamic world. These seeds will become trees soon and the United States will have to eat the bitter fruit.

U.S. Said Pressuring Other Countries To Cut-Off Aid

91AS0652B Karachi JANG in Urdu 6 Feb 91 p 3

[Editorial: "Unfair U.S. Pressure"]

[Text] The U.S. Embassy has rejected the news published in various newspapers that the United States was planning to attack Pakistan as a part of the Gulf war strategy as "disinformation" spread by Iraq's government. As far as we can analyze this announcement, we can say that there is no immediate possibility of such an action. The U.S. involvement in Iraq is of such nature that attacking another country would mean making the already bad situation even worse. Our military and defense experts should study such possibilities. However, other U.S. activities against Pakistan are clear as the daylight. The United States has not only stopped all military and economic aid to Pakistan, but has also decided to reduce aid by half even after we have met all the conditions it has levied on us. Interestingly enough, it has even made decisions about aid to Pakistan in the years in distant future. The United States has also started pressuring other countries to stop aid to Pakistan just like it did in the 70's. As a result of this pressure, several Western European countries as well as Australia have stopped their aid to Pakistan. While some political circles in our country blame it on our present government's inability, the United States has proved by its policy that it wants to help the Third World countries on its own conditions and wants total obedience from them. It cannot approve aid to any country that also thinks about its own interests. Thus, while the United States may not attack us, it has started to implement large-scale plans to start political unrest, economic chaos, and threats to our security. One main reason for this is the firm desire and commitment of Nawaz Sharif's government to free Pakistan from dependence on the United States and other countries and make it self-reliant. This development clearly shows us that the United States would not hesitate in taking extreme measure to make these plans unsuccessful. We have only two options as a nation. We have to either sacrifice our independence in order to get help from undependable countries like the United States or fight the unfair pressure from these countries and prepare ourselves for hard times in order to become self-dependent. Obviously, no self-respecting citizen of Pakistan would want to sell its national pride in exchange for foreign aid. Therefore, we have only one option left. We should not be scared by temporary crises and trust God's support and our own strength and start working round the clock to attain economic independence. It is appropriate to say in this context that opposing government

and ignoring the problem our country is facing in the name of independence and encouraging anarchy in the nation would be analogous to helping the enemy attain its goal. Therefore, if we really want to fight the unfair pressure being put on us by the United States and other countries under its influence then we must adopt great courage, seriousness, and responsibility at national level and strengthen the hands of our government rather than the United States.

Report Alleges Jewish Terrorists' Entering Country

91AS0651B Lahore NAWA-I-WAQT in Urdu 15 Feb 91 p 12

[News Report: "Jewish Terrorists Enter Pakistan; Security in Kahuta Increased"]

[Text] Karachi (special correspondent)—In the light of intelligence agencies' reports, special arrangements have been made to protect the Kahuta Atomic Plant and the famed Pakistani scientist Dr. Abdul Qadeer Khan. According to informed sources, Dr. Qadeer Khan has canceled all his appointments except those of crucial importance. These sources indicated that intelligence agencies have learned that some highly trained terrorists have succeeded in entering our country. These include some agents of the Israeli intelligence agency Mosad. The target of these terrorists are some very important installations and leaders in Pakistan. Thus, not only security at Kahuta has been increased, but special arrangements have been made to protect internationally famous scientist Dr. Abdul Qadeer Khan. It should be known that related security agencies were already alerted.

Aid Worth 50 Billion Said on the Way

91AS0651D Lahore NAWA-I-WAQT in Urdu 7 Feb 91 p 10

[News Report: "Loan Worth 50 Billion Issued by Several Countries"]

[Text] Karachi (Commerce Report)—Various countries and international organizations will give loans and aid worth about 50 billion rupees to Pakistan during the next year. According to this information, the World Bank and the International Monetary Fund will procure a total of \$350 million or 7.70 billion rupees to deal with the situation created by the Gulf crisis. Various other international agencies will issue loans totaling \$284.6 million to help increase agricultural loans and improve agricultural production. This amount is equal to 6.2612 billion Pakistani rupees. The Asian Development Bank will issue \$215 million to WAPDA for expanding electricity production and \$115 million for increasing telephone facilities. In addition, Pakistan will receive \$3.11 million from the U.N. development program. The World Food Program will give \$9 million for Azad Kashmir's rural

areas. Saudi Arabia will give a loan of 50 million Saudi riyals from the Saudi Arab Development Fund for building Rakhni road. In addition, the Islami Bank of Bahrain will give a loan of \$50 million to the Cotton Export Corporation. Similarly, Bahrain's Albrak bank will advance \$50 million for purchasing oil. The Bank of Oman has also agreed to issue a loan of \$15.5 million for buying oil.

Meanwhile, \$35 million for expanding capital in the private sector have been procured from the United States and \$70 million have been paid for soybean oil. Japan has also forwarded loan worth \$2,970 million for six different plans. West Germany has also agreed to give a loan of 2.5 [?] German marks to Pakistan to deal with the problems caused by the Gulf crisis. In addition, France will give \$6.9 million for development plans and Norway will give aid worth 360 million rupees.

Editorial Expresses Distrust in Media

91AS0651C Karachi JASARAT in Urdu 17 Feb 91 p 5

[Editorial: "Agreement Between U.S. and Pakistani Media"]

[Text] The feeling of hatred against the United States and its allies has increased among the people after the war in the Gulf started and this hatred is increasing gradually. However, it appears that some people and organizations within the government still support the United States. The attitude of our news media has been especially in disagreement with the wishes and feeling of the people in Pakistan. The demonstrations led in support of Iraq were either down played or not shown at all in television news. The worst thing was when they tried to down play the barbaric bombing of a shelter in Baghdad on Wednesday. This incident was, however, mentioned in context with the prime minister's statement after the National Assembly passed some resolutions. The whole country protested against this revolting incident on Friday. They expressed their sorrow by raising black flags and their anger and hatred against the United States. However, the television did not carry it in its news report. There were strong reactions to this barbaric act in other Islam countries also and the BBC and other television stations tried to broadcast those. However, Pakistani news media, especially the television, did not think it appropriate to show U.S. atrocities and to give rise to Muslim feelings against it. Thus, a close agreement is seen between the U.S. and Pakistani news media. The U.S. media did not mention making the bomb shelter a target either. What the United States and its news media did was its own affair, however this attitude of Pakistani news media is beyond our understanding. The nation is losing faith in the media because of this attitude and they prefer to try the BBC and other news program when they want to learn about the war. Their attitude is better and the news reports are based on facts.

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