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# ***JPRS Report***

## **Near East & South Asia**

***ISRAEL***

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# Near East & South Asia

## ISRAEL

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27 January 1993

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## Regional Affairs

### Reduced PLO Funding Said To Lessen Influence

93AE0234A Tel Aviv HA'ARETZ in Hebrew  
1 Jan 93 p 3

[Article by Yosi Torpshtayn: "Reduction in PLO Economic Aid to the Territories Decreases its Influence in the Region"]

[Text] The reduction in the flow of money from the PLO to the various institutions in the territories, and especially to the higher councils that were established last year, has caused a significant reduction in the ability of the organization to dictate economic coordination policy among the Palestinian institutions. That appraisal has been heard of late from Palestinian sources in the territories who are firmly established in the area of economics.

The sources believe that as a result of this situation the residents of the territories are concentrating extensive authority for themselves in the area of social and economic construction; and despite the fact, according to the spokesmen, that there is no argument that the political leadership of the Palestinians is in the hands of the PLO-Tunis, the influence of that leadership has been reduced.

Within the last year they were busy in the territories setting up and strengthening governmental frameworks such as the supreme councils and organizations dealing with the areas of health, tourism, education, etc. However, according to the sources, the decision to establish these frameworks was essentially a political decision, which was not backed up by practical content. Because of the economic crisis in the PLO, monies have not been infused into most of the supreme councils, that have turned into almost inactive establishments dealing in coordination "without teeth" between various institutions.

More than that, the PLO has yet to define the character of the supreme councils and the areas of their authority. Thus, for example, it is not yet clear whether the councils will be the skeleton frameworks of future ministries or will serve only as advisory bodies; whether they have the authority to implement and enforce their decisions on nongovernmental organizations and on the private sector in the territories. Discussions are continuing on these issues within the PLO, thus far without any clear decision.

The question of rebuilding the institutions in the territories and increasing their efficiency, especially in the social and economic areas, is on the agenda of the Palestinian public. There are several programs active today in this area to prepare the administrative, professional and economic manpower, financed through foreign aid.

The Organization for West Asian Economic and Social Development operated by the United Nations, ASQWA [expansion not given], is also about to start working to prepare professional manpower in the territories, according to an announcement the day before yesterday by Dr. Fu'ad Basisi, the organization's representative in the area, in a lecture delivered at an economic conference in Jerusalem, organized by the "League of Arab Economists" in the territories. He said that the ASQWA organization,

founded in the year 1973, included 13 Arab countries, including "Palestine," as well.

According to Dr. Basisi, ASQWA has defined 15 programs for economic and social development within the framework of an umbrella program called "Civilian Cooperation for Development." The programs deal with several areas such as agriculture, industry, technology, financial administration and financial policy, advancement of women, and the problem of emigration.

The year 1986 saw the establishment of "The Committee for Development Affairs in Palestine," the function of which is to carry out the organization's programs. Dr. Basisi, who lives in Amman, is currently conducting a tour of the territories to firm up a basic work program, which would be implemented in the 1994-95 budget year.

The ASQWA organization is also doing research in several areas, including the effect of the Israeli settlements on development possibilities in the territories, the financial and banking institutions in the territories, and consolidation of programs to solve the problem of unemployment. The organization even publishes a regular periodical report on the economic situation in the territories, the purpose of which is the creation of a database.

Dr. Basisi reported that the ASQWA administration has recently decided to significantly expand its advisory services for the territories. The project will be carried out with the assistance of a team of experts from the organization who deal in various areas such as the water problem, environmental quality, technology, and industry.

The organization's administration has even decided to dedicate special effort in the years 1994-2003 to the construction of institutions and the preparation of manpower in the territories and in the countries of the region.

In the estimation of an ASQWA representative, one of the principal weak points of the institutions in the territories dealing in the economic, social, and municipal area is the lack of coordination among them and the lack of a comprehensive economic strategy.

Consequently, Dr. Basisi believes, the institutions in the territories suffer from a lack of clear separation of authority that affects their ability to act. Basisi noted that this is the reason why ASQWA decided to put the emphasis in its programs on the reconstruction of institutions and the preparation of manpower suitable for the advancement of development in the territories. He stressed that ASQWA has just recently set up a course in Amman for the professional preparation of Palestinian businessmen from the territories.

### Discrepancy in Polls on Deportation

93AE0232A Tel Aviv YEDIO'T AHARONOT in Hebrew  
28 Dec 92 p 19

[Commentary by Sever Plotzger: "Ninety-One Percent for the Expulsion, 91 Percent Against"]

[Text] This is the gap [91 percent] between the media position and the public position on the deportation issue. The fact that at times there is such a deep split between most of the writers and most of the readers at least merits reflection.

More than 90 percent of the citizens of Israel are convinced that the deportation of the Hamas leaders was perfectly OK; more than 90 percent in the Israeli press are convinced that the deportation was a mistake. The statistics on the public's position were presented in a rush survey by YEDIO'T AHARONOT on Friday; the statistics on the press positions can be gathered by quickly flipping through the Friday papers—all the weekend editions.

There is an amazing unanimity of opinion among the writers of tens of articles, that only competed among themselves in describing the failure, the disappointment, the mistakes and the independent goals that the Rabin government and the general staff set during the course of the deportation, beginning from the idea itself and ending with the implementation in all its details. On the other hand, there is a no less surprising unanimity of opinion among the citizenry: the deportation is justified, Rabin and Baraq are doing great. If there were mistakes in the execution, big deal, that always happens. Certainly there is no national disaster here.

As a reporter and a citizen, this deep gap between the opinion of the media and the opinion of the public on the issue of the deportation worries me. It is easy, of course, to shake off the whole thing and decide that the people are wrong, that they are nationalistic, they hate Arabs, make light of democracy, etc., and that we, the reporters, only we are enlightened, ethical law-abiding defenders of democracy.

But public opinion polls conducted in Israel many times prove that most Israelis are ready for far-reaching compromises with the Arabs, that they support the peace talks, even with the PLO, that they are for insistence upon the law, that they are democratic. And that is how they voted in the elections. The minority was and remains radical, to the left or the right; the majority is moderate and patient. But now this moderate majority is supporting the deportation process and strengthening Rabin's hand.

Therefore I have no answer to my concern. Prime Minister Yitzhaq Rabin has an answer. He is convinced that the press is wrong, that its criticism is exaggerated and arrogant. The public understands, say Rabin's people, what the reporters do not understand—that deportation is the lesser evil and is therefore justified. Some of the reporters' friends also have a clear answer: What are you getting excited about, they tell me, after all you and we all know that "the people are against the hostile media." Certainly we know that the "street" is sensitive and wild, and reporters do not make their living there. Our job is to go all out in criticizing, without compromise. What do you care, they ask me, about public opinion polls?

I do care. Public trust in its media is one of the most important cornerstones of an open, democratic society, as Israeli society wants and needs to be. The Israeli public buys a lot of newspapers, loves them and reads them. The Israeli press is good, influential and makes a difference. Precisely because the deportation incident is one of an isolated number to cause such a deep gap, such a polar opposition, between the majority of writers and the majority of readers, it requires that the writers at least give it a moment of reflection.

## Internal Affairs

### Duties, Qualifications, Aims of Vice Ministers Reported

93AE0202E Tel Aviv YEDIO'T AHARONOT (Weekend Supplement) in Hebrew 4 Feb 92 pp 16-18

[Article by Orly Azulay-Katz: "To Wake Up in the Morning and Feel Superfluous"]

[Text] Only a few of the vice ministers in the Rabin government can say that they have plenty of work to do or that they have any kind of authority in the ministry where they are employed. Fewer than that can claim they have any kind of talent to carry out the function they were assigned, in general because of coalition pressure or political duress.

The appointment of a vice minister brings about political peace and an easing of pressure. But the job issue carries with it feelings of frustration because of a lack of things to do, and most of the time the vice minister is occupied with shuffling the papers on his desk, moving them from the left side to the right. In the government corridors they say the vice ministers are always "scratching," if not themselves, then at least those around them.

It should be pointed out that they do this in conditions that are not at all bad: a spacious office, two or three rooms furnished with velvet upholstered sofas and easy chairs that are comfortable to settle into. They have at least one assistant, a chauffeur, and a secretary, and they make their way to this cushy job in a 2,000-cubic centimeter Mitsubishi placed at their disposal by the government motor pool. It costs between 70,000 and 80,000 shekels, depending on the year of manufacture.

The vice ministers move about a lot throughout the country. They call it job-related travel, part of their ministerial duties. From the sidelines it looks like an unending election campaign intended to maintain the ties between the vice minister and his constituents. Not to let them forget. Vice ministerial travel averages 100,000 km a month. In order to make their work more efficient, each one has at his disposal a cellular phone, for which the price of a call is three times what it would be on a regular telephone. But status requires it, and there is no vice minister with a cellular phone bill less than 1,000 shekels a month. In the best case.

The position of vice minister was "invented" to solve internal political problems and smooth over the coalition partnership. In the present government, SHAS [Sephardic Torah Guardians] was given three vice ministers: Pinhasi at Treasury, Gamli'el in Housing and Me'iah in Education. Meretz got two vice ministers: Walid Sadaq in agriculture and Ran Kohen in Housing. The Labor party got six vice ministers: Beilin in the Foreign Ministry, Gur in Defense, ben Menahem in the Prime Minister's office (neighborhood affairs and drugs), Lubelsqi in Industry and Commerce, Maslaha in Health, and Goldman in Education.

Nissim Zawili was supposed to be Labor's seventh vice minister but declined the honor when he found out that Beige Shohet, the Treasury Minister whose deputy he would have been, did not intend to give him any executive

authority. Zawili preferred to run for the job of Labor general secretary, and he won.

### Rabin Divides the Spoils

The law does not define the job of vice minister, and the ministerial appointee has no obligation to delegate authority to his vice minister. If he wants to, he will; if he does not want to, he will not. Generally, the minister wants to keep all the authority for himself, and the praise that goes with it. Labor ministers in particular are that way because they have hungered for power for so many years. Most ministers treat their vice ministers like a bone in the throat, a freeloader who managed through political extortion to get for himself spoils that, in fact, nobody had dreamed of giving him.

When Yitzhaq Rabin started forming his government, he had a dream: the appointment of ministers according to their talents, and a compact, narrow government. Within a few days, the interpretation of the dream became manifest: Mikha Harish banged on the table and got a senior portfolio; Moshe Shahal flexed his muscles and got two portfolios; Ya'aqov Tzur, who was defeated in the primaries, demanded compensation for his loyalty to the camp. All the dams were broken. Rabin wanted to set an example, at least in vice ministers. He tried to keep their number to a minimum.

But then it was the turn of the intermediaries, who elbowed their way into his office: It was impossible to leave Masha (Lubelski) in the cold after Ora (Namir), her despised opponent, got a portfolio. Eli ben Menahem deserved compensation for winning the Tel Aviv neighborhoods over to Labor. Mikha Goldman is from the camp and courted Rabin for years. Mote Gur was devastated by not having been made a minister. You have to give him at least a vice ministry; you cannot put a friend out in left field. The Arab sector behaved well in the elections, so you have to give it a representative. If not a minister, then at least a vice minister. That is how they brought in Nawif Maslaha. Beilin, of course: His appointment as vice minister brought relative peace between Rabin and Peres.

That is how the list got inflated. When Labor required six vice ministers, their coalition partners demanded their fair share—and the list swelled to 11 vice ministers. The Likud government had 13 vice ministers, but Labor said there would be no such inflation in its government. That it promised.

Cynics argue that Rabin really does not care who is minister and who is vice minister. He takes care of the really important matters himself, and all the rest is fluff. Except that this fluff costs money, a lot of it: According to a calculation by both Treasury and the government secretariat, each vice minister costs the taxpayer at least one million shekels!

That calculation is arrived at as follows: the salary of the chauffeur, the secretary, and the assistant, plus regular office expenses—about 400,000 shekels per year. This, more or less, is the budget that Treasury allots to each ministry that has a vice minister. To that must be added the vice minister's salary, about 145,000 per year, the 2,000-cubic centimeter car that costs about 70,000 shekels, fuel, insurance, refreshments, lodging expenses when away

from home, entertaining, telephone expenses, newspapers and magazines, and a small slush fund, not to mention trips abroad.

These items come out of the general budget of the ministry where the vice minister is employed. There are also personal requests: Not all vice ministers are satisfied with the office placed at their disposal. Some have asked to change the color of the upholstery or the rug, others have wanted to add file cabinets and computers.

Ya'aqov Lemberger, the Knesset accountant, a man who generally holds his tongue, recently related how one of the vice ministers approached him with a request for a cellular phone. Lemberger was amazed: "But you already have a cellular phone," he responded. The vice minister answered in turn: "Yes, but I want a cellular phone for my wife's car." Since then all the vice ministers are under suspicion of having made this request, since Lemberger, a man of few words, refused to reveal the vice minister's name.

One way or another, state coffers are paying at least 11 million shekels to maintain the vice ministers, together with their offices, chauffeurs, and assistants. Treasury officials claim that the real cost will become known only at the end of the first year when the figures come out as to how much money the vice ministers drew from the funds of the ministries they serve in, how many times they traveled abroad, and what special expenses they received.

For the moment, it is correct to say that over the next four years the vice ministers will cost the treasury at least 44 million shekels. That, when the library for the blind in Netanya was closed for lack of the 1.5 million shekels needed to operate it. And that is just one example. The sum of 44 million shekels could cover lots of additional hours of instruction in the educational system.

### How Do You Open the Safe?

And what is the output of the vice ministers?

As an illustration of their situation, we quote here a monologue carried on this week by the vice minister of agriculture, Walid Sadaq of Meretz, Ya'aqov Tzur's deputy:

"The situation is the worst it could possibly be. When we came on board at the ministry we decided that I would not be responsible for the Arab sector because I came from a Jewish/Arab party. But by the nature of things, both because of the language and because of my closeness to the Arabs, I get a lot of requests for assistance from that sector. Mr. Tzur apparently suffers from a primaries complex. He was not elected to the Knesset and is now building himself up for the next time; he thinks that if I do not handle the Arab sector, he will win the Arab vote in the primaries the next time around. Therefore I get no authority, and, in fact, I am unemployed and have been driven out.

"I am a farmer, I understand agriculture and could contribute a lot to the Arab sector. My success there could be the success of the entire sector, but instead the minister went and appointed a Jewish advisor for Arab affairs, Arye Brosh, from Moshav Moledet. One of the aims of the Labor party was to do away with the job of advisor on Arab

affairs, and then, just like that, it is back again. I took it personally, as if the minister were expressing lack of confidence in me.

"I was not born with the vice minister's chair in my hand and I made a vow: If by Friday things do not straighten out, I will take my things and go home. As a vice minister I am prevented from parliamentary activity against the government because I am a part of it. My hands are completely tied. When I lack authority in the ministry and the freedom of parliamentary action, that is like public suicide for me. The minister is wrong. He is a good man overall, but he has lousy advisors. They are tripping him up. After all, in the final analysis my output in the Arab sector will be his output, and the glory, of course, will accrue to him.

"I requested a meeting with the minister. They told me to come back in two weeks. I have not participated in any forum that included the minister. In fact I am cut off. I wrote the minister a letter, and if I do not get any authority I will go to the institutions of my movement, ask for their support, and announce that I am leaving. I do not want to bring on a coalition crisis, but there is no point in working this way."

Walid Sadaq got a 1990 Mitsubishi that had formerly belonged to Rafal. He declined the chauffeur in order to be able to enjoy the freedom of driving himself. The Arab sector was proud of his appointment as vice minister, but he feels that if he is to be left with no authority and nothing to do, as is now the case, there is no point in that honor.

Most of the vice ministers feel the office is superfluous, but outwardly they love the image of someone over his head in work: discussions, committees, tours. They really fall off their feet. In most instances an efficient clerk or advisor on a civil servant's salary could carry out all the work expected of a vice minister.

For example, the Housing and Construction Ministry: a large ministry, lots of missions, and a big budget. It is headed by Fu'ad ben Eli'ezer, who can function like a bulldozer. He certainly does not need a deputy; the professionals in the office are enough for him. But he got two deputies: Rabbi Gamli'el of SHAS and Ran Kohen of Meretz.

Fu'ad assigned Rabbi Gamli'el the task of handling the Orthodox sector, and a smile of satisfaction spread across the Rabbi's face. He did not need more than that. The problem was Ran Kohen, who is not a man of pomp and circumstance. Kohen wanted to work. Fu'ad decided to give him Neighborhood Restoration. Fu'ad and Kohen are on the same side of the barricade socially and work very well as a team.

But when Eli ben-Menahem, the vice minister for neighborhood affairs in the Prime Minister's office, heard that Ran Kohen was being given his baby, he reared up on his hind legs and began making noises in every possible corridor. He waited for months in the ears of anyone willing to listen. Finally Fu'ad sat down with ben-Menahem and with Kohen, and they reached an agreement on how to divvy up the work: Ben-Menahem would be responsible for neighborhood restoration in the greater Gush Dan area, and Kohen would be responsible for the

neighborhoods in the more distant locations. In order to keep the peace, Rabin gave ben-Menahem a further assignment: responsibility for the Drug Authority.

Eli ben-Menahem, what is "greater Gush Dan?"

"Let us say, from Rehovot to Ra'anana; something like that."

Do you have a budget?

"No, the budgets are in the Housing Ministry, but we are all of one mind—Fu'ad, Ran Kohen and I."

If you have no budget, how do you cover the promises that you make in the neighborhoods?

"Fu'ad is like a father to me. He wants things to be good again in the neighborhoods. If I recommend, he will give. Fu'ad is a sensitive, understanding man, the most sensitive in the government. But I have the backing of the Prime Minister. Rabin said if the thing does not work out, neighborhood restoration will go back to the Prime Minister's office. It is an honor for me to work for Fu'ad, but I told him I am not his clerk. There will be no problems because we are both of one mind."

In the past the neighborhoods were handled in the Prime Minister's office. When David Levi was appointed Minister of Construction and Housing, he said "neighborhoods are mine" and, on the basis of a political agreement, transferred the responsibility for the neighborhoods from the office of the Prime Minister to his office. And that is how it has remained. Today Eli ben-Menahem sits in the office that once belonged to Gandi: "I asked them to spray here to kill off all the spirits and gremlins left behind by Gandi," says ben-Menahem, and with satisfaction hangs a sign that has just arrived on the door of his office: "Eli ben-Menahem, Vice Minister." He has an assistant, three secretaries, the Mitsubishi that once belonged to Bibi Netanyahu, and a chauffeur. "I never had such a pretty office before," he says. "I have not changed a thing. Gandi set up everything that is here."

Gandi did not do a bad job at all. A color television, velvet sofas, an elegant sitting corner, and even a safe, the contents of which are unknown to Eli ben-Menahem, since he has not been able to open it and no one knows the combination.

#### A Deputy Left To Twist in the Wind

Eli ben-Menahem began his political activity in the village of Shalem where he lives. In the primaries for the leadership of the Labor party, he switched from the Peres camp to Rabin's camp, and in the Knesset elections was able to produce a lot of Likud votes for Labor. Eli ben-Menahem banged on the table when Rabin was busy staffing the government. Delegations from all the Tel Aviv neighborhoods went on pilgrimage in ben-Menahem's behalf, arguing that it would be incredible for a Labor government not to appoint a minister to its liking for neighborhood affairs, and ben-Menahem was the man. The matter was finally settled with an appointment as vice minister.

Playing on this game board in addition, as we already noted, is vice minister Ran Kohen of Meretz, who was invited by the Housing Minister to be his deputy. Ran

Kohen sees things much more intelligently. "A vice minister in the State of Israel lacks all authority. There is no definition of his job, and he is left to twist in the wind," Ran Kohen says. "A vice minister can work on the basis of a coalition agreement forced upon the minister or on the basis of an agreement between him and the minister. The vice minister does not have the Knesset as his arena for activity, nor the government as a place for carrying things out. I am unhappy about the proliferation of vice ministers. This is not what we promised our voters, and I do not take comfort in the fact that Likud had 13 of them."

Ran Kohen refused to accept the government car and chauffeur. He takes his trips in his own car and does his own driving. He asks that we not make a lot of fuss about this or make it an issue; he stresses that if a single neighborhood should suffer from the fact that he has no car and driver, he would change his mind because he has no intention of being "holier than thou."

Today he sits in the office that once belonged to the Minister of Defense. Today the Prime Minister and Minister of Defense are Yitzhaq Rabin, so the Jerusalem office of the Defense Minister is vacant. "This inflation of vice ministers is a terrible shortcoming," says Kohen; "we really wanted to put together another kind of government, and look what happened."

Ran Kohen is not up in arms over the fact that the neighborhoods were divided between him and Eli ben-Menahem and stresses that there is work for everyone. Besides that, he fills in for the minister at events that the latter cannot attend, takes part in setting policy, and recognizes the fact that the exclusive decisionmaker responsible for the Ministry is the minister, who "worked hard to get this ministry and certainly deserves it."

The minister himself is not bothered by the fact that he has two vice ministers in his ministry and yet another one in the Prime Minister's office who acts in his area: Rabbi Gamli'el is responsible for the Orthodox sector and chairs the committee that disburses synagogues and ritual baths. "Between Ran Kohen and Eli ben-Menahem," says Fu'ad, "I have found the golden mean. Ran Kohen deals with the development towns and restoration of the Druze and Arab sector, and ben-Menahem, not to put him down, is the product of a neighborhood, and I am interested in giving his career a boost and establishing his stature."

Two vice ministers who have the talent to do their jobs are Yosi Beilin, in the Foreign Ministry, and Mote Gur, in the Defense Ministry. Beilin was Vice Minister once before when Peres was Foreign Minister. He knows the ministry's job, and functions in every way as a vice minister should, both when he initiates something and when he gets something from Peres. Peres and Beilin have worked hand in glove for many years already. "We do not divide things up globally or by tasks," explains Beilin; "I participate in the Cabinet sessions, in the government sessions and, on a case-by-case basis, we decide who handles what."

At the Foreign Ministry it is argued that the fact that the general manager of the Ministry does not function at full throttle puts tasks on Beilin's shoulders that are usually those of the general manager. Beilin also coordinates the teams dealing with the multilateral committees of the peace process, as well as the work of the minister's office

vis a vis the Americans on issues within the Foreign Ministry's purview. When Peres was appointed Foreign Minister, it was natural that Beilin would be his deputy.

Mote Gur also came to the Defense Ministry with a proper background. At the beginning of his term as Vice Minister of Defense, Gur complained that he was not a full partner and that Rabin was pushing him away. Lately Gur seems more satisfied. Rabin asked him to take his place a few times on tours in the north, Gur has set up think tanks in his office, and it can be assumed that he is building up his stature for the day when, should Rabin wish to function only as Prime Minister and give the Defense portfolio to someone else, it would fall to him. Those around Rabin stress there is no prospect of that happening.

### To Get Up in the Morning and Feel Superfluous

The vice ministers are uncomfortable talking about the fact that they are really superfluous. Who wants to get up in the morning knowing that he is not essential at his place of work and is costing the country a fortune?

The lexicon of the vice ministers with regard to who they are is rich in the following kinds of expressions: "You have to know how to be number two; all beginnings are hard, and in the end the Minister will come to trust us and give us work; this is only a springboard to the job of minister in the next government; the man really makes the job, and those who want to work, work; a vice minister under the existing conditions is the force of reality; Likud had lots of vice ministers, too; we live modestly, the issue of the car and cellular phone is simply blown out of proportion, today almost every official has one; my calendar is bursting at the seams every day, I work from morning till night, they are just slandering us."

That is what they say. Take, for example, Vice Minister Pinhasi, Beige's vice minister. He knows the situation from the other side. When he was Minister of Communication in the previous term and Efra'im Gur was his deputy, Pinhasi guarded the spigot assiduously. Gur got no authority and no jobs. In Rabin's language they call this "drying up." "I did not give Gur authority, and he ran away from me," Pinhasi admits, "but now with Beige it is different. He told me that I am no competition for him since I am not from his party and that he would give me authority."

### What Are Vice Minister Pinhasi's authorities?

"I am responsible for compensation from Eastern Europe, I am in charge of the privatization of government corporations, and I am responsible for gas safety budgeting."

And for that you have an office, assistants, a car, and a cellular phone?

"I would have been happy to be Minister of Religion if they had offered it. They did not offer it. I am satisfied. There is cooperation between me and Beige. When there is a political crisis I run like Kissinger between Deraï and the Labor people."

The Kissinger of the Treasury Ministry sounds arrogant. For him the cost of his office is small change, and you can understand him. SHAS saw a lot more from government coffers.

Nawif Maslaha is also satisfied with his job, Vice Minister of Health. Haim Rimon makes him comfortable. He knows that Maslaha will never run against him for the job of Prime Minister. "If Hagai Merom or Mikha Goldman wanted to be Haim's deputy, he would not agree," Maslaha explains, "But me? How can I hurt him? I only do good for him and take him with me to the Arab sector."

That is why Maslaha is falling off his feet from too much work. He is responsible for health in the Arab sector and also geriatrics and psychiatry at the national level—that is to say, both Jews and Arabs.

Masha Lubelsqi saw her advancement in the party otherwise. In her worst dreams she did not picture the woman she despises, Ora Namir, in a minister's chair before her. But that is what happened to her. She wanted to be in the executive system, swallowed her pride and was pulled into the Ministry of Industry and Commerce by her political ally, Mikha Harish. Harish got the ministry after banging hard on Rabin's desk, where the latter would have preferred to let him be minister without portfolio and leave him as general secretary of the party.

"On the eve of his victory, Rabin thanked everyone in his speech, including me. With warm words. My friends told me: Masha, you are in, that is to say, in the government," she relates. "I, who chaired the preparatory committee for the convention and the organizational branch in the elections and who, by all accounts, did good work, was left out. They all went into the government except me. Then I sat and thought about it. I worked on myself. I adjusted myself to the situation in which I know I am number two and have a minister above me. I knew that Mikha was at the top of the pyramid. I am not frustrated, despite the frustration that today characterizes the government ministers, and not just the vice ministers. You cannot work if you have a sour face. Happily, Mikha relies on me, involves me in the work and gives me jobs to do. I have areas of activity, and if I do them well I hope that it will bring me into the government next term."

And is that not too high a price?

"Every politician pays a price. It is impossible otherwise."

Is it not frustrating to be a vice minister without authority, without responsibility?

"I thought a lot about this issue, that vice ministers are really taking charity. But I got myself used to this situation. I also have exclusive responsibility in the whole area of consumerism and can do a lot. Mikha and I always worked side by side, and now I am under him. This is especially strange because I came from an organization that I chaired. But I am satisfied."

Masha is satisfied, and all the vice ministers are satisfied. Why not? They have all the technical aids, there is respect, and if the state comptroller rails against screw-ups in the ministry, the minister is responsible, not his deputy. From that point of view, life is not bad at all. Perks of office without responsibility, without headaches or butterflies in the stomach. True, it costs a lot, but every government wastes money, and every one of the vice ministers has adopted the posture that he deserves a lot more and, in fact, was only doing a favor in agreeing to behave and accept the position of vice minister.

### National Counterterrorism Policy Suggested

93AE0219A Tel Aviv YEDI'OT AHARONOT in Hebrew  
15 Dec 92 pp 19

[Commentary by Yosi Olmert]

[Text] Every wave of terror brings with it a new day for those who trade in illusions—both those on the right and those on the left. On the right, they shout that we have to adopt a tough policy and strike back harder against terror, and that will solve the problem. Some of them bring proofs of past successes to support this argument, as a kind of guarantee that what worked in the past will of necessity also work now. On the left, they claim that if only there were a political process with real substance, the terror would come to an end.

The approaches of the Right and Left have something in common. They both, in effect, take the approach of "If we can just get it right, it will be over." Such an approach is naive, and divorced from the realities, causes, and modus operandi of Near Eastern terror. Beyond that, it is an approach that clearly fails when one tries to establish a logical relationship between the approaches of the Right and the Left as to the roots of the conflict and how to solve it, and their stands on the question of terror.

The terror in the Near East stems from a wide variety of social, ideological, and political causes. Its use characterizes the lack of a democratic tradition in the area. It is not just a case of Palestinian or Islamic groups working within—or across—states, but rather also of governments that see terror against their own citizens, as well as against outside enemies, as a legitimate and effective tool.

Some of these groups and states will encourage terror against Israel and the Jewish people even if the present political process succeeds, and perhaps even especially if it does. Because terror is a phenomenon so rooted and so multi-faceted in the region, we should not hope that it will be brought to an end through some sort of wonder-weapon, either military or diplomatic.

The Right believes, and rightly so, that the conflict goes far back, that it is rooted in the experience of the region and not connected only to the question of the territories. But if this really is the way things are, [the Right] should not expect terror to disappear from the region just because military force is more successfully used.

The Left believes that the time for a peaceful solution to the conflict is riper now than ever before; that the central key to the solution is the question of the territories; that the occupation, with its unavoidable side effects, serves as a spur to the Palestinian population to use or to support terror; that what the Palestinians need is hope, a light at the end of the tunnel, words that only the diplomatic process can supply.

The Left's theses do not stand up to the test of reality. Some on the left argue that terror is growing precisely because the diplomatic process is progressing. With this argument, they are trying to create a distinction between "moderates" and "extremists," between those in favor of dialogue and those who are rejectionists. That sounds fine, but the fact is that almost half of all the sabotage attacks, including those within the Israeli limits, are carried out by



the "moderate" terrorists of the PLO, those who seemingly support the negotiations. Also, the Left makes a great outcry against increasing the severity of punishment for terrorists from any of the streams, so that its own distinction between the various Palestinian factions loses validity.

There is no easy, simple solution for the terror. It is an open, painful wound on the Near Eastern landscape, but must not and need not become a chronic illness. To make sure that it does not, responsible national leaders must take several vital steps. They must tell the people the truth about the character of the terror and the ways to deal with it. It is necessary to take more severe steps against terror. Someone promised the people of Israel a smaller, smarter army. If this army does exist, let it come on the scene now, to help in the fight against terror. We also must make a clear distinction in the territories between those who use or support terror and those who refrain from it. The war against terror demands sophisticated action based on a policy of reward and punishment.

And above all, the government must clearly establish those diplomatic lines from which it will not retreat, even if the escalating terror tries to gnaw through them: There are not, nor will there be, negotiations with any Palestinian entity that is connected in any way with terror. The negotiations with the Palestinians are only about interim arrangements, not about a permanent settlement. There will not be, now or in the future, any one-sided retreat from any territory whatsoever, including Gaza, because that would only be giving a prize to the terrorists.

All this must be overseen by a patient government that does not shackle itself to unrealistic timetables, and does not give out signals suggesting it may change its policy toward the PLO or any PLO offshoots.

### Columnist Explains 'Hatred' of Arabs

93AE0219B Tel Aviv YEDI'OT AHARONOT in Hebrew  
16 Dec 92 pp 35

[Commentary by Uri Elitzur]

[Text] You can tell 'Avrum Burg he can put me down as a statistic. As of today at least, I hate the Arabs. Most of the time I can deny it and push it out of my mind, but during a week like this, after one murder after another, if someone conducting a poll were to call and ask whether I hate the Arabs, I would say "yes." Last week, perhaps, I would have answered "no"; next week, who knows. This week, "yes." I hate them. I hate them because they are murderers, and I do not buy the idea that they murder because of the occupation. They murdered before the occupation too, and they murder their own people as well, without connection to any occupation.

I know very well all the arguments against. I have used the same arguments myself time and again, in debates with Kahane's followers and in lectures to hot-blooded young people: "Beloved is man, for he was created in the image of God," and "How can you make such terrible generalizations?" and, "Anyway, what does they are murderers' mean?—there are good people and bad people everywhere," etc., etc. But this week I lost the last vestiges of the proper distinction between "the murderers" and the Arabs in general. I do not hate every Arab in the street, but I do

feel that the Arabs as a whole are the ones murdering us. In effect, I confess to a serious flaw in my Judeo-Christian ethics. This is war, and I do not love the enemy. I even wish they would go to the devil. (Yes, yes, I know they will not go—not to the devil, and not anywhere else.) But I admit I am sorry they are here. I do not think I need to be proud of this, but I am not sure I need to be ashamed of it.

If a great movement of Arabs versus terror were to arise, if the Arabs in Israel were to stand up and proclaim themselves for the State of Israel and against the murderers, I would feel different. But as far as I can see, the case is that the Arabs in general choose to stand with the murderers. If somebody on the Arab side is very angry that this is my opinion, let him prove me wrong, and if he is worried about the hatred awakening in me, he has reason to worry. I am worried too. Relations between Jews and Arabs in the State of Israel are really in danger, and both sides have very good reason to worry.

This has no connection to racism, and not the slightest resemblance to xenophobia. If the Jews of Germany had written a document like the Palestinian manifesto, saying that the German state had no right to exist because it was on Jewish land; if they had declared morning, noon, and night that a Jewish state must be established with its capital in Berlin; if Jewish knife-wielders had murdered young German girls in the streets of Hamburg; if the German Jews had created terrorist organizations whose goal was the murder of German citizens; if the German Jews had announced to the entire world that only terrorist organizations were qualified to represent Judaism; if World Jewry had imposed an economic boycott on Germany; if the German Jews had called on their brothers around the world to throw Germany out of every international organization—if all this had happened, the most decent Germans would have hated the Jews and looked for ways to get them out of Germany, even if they had lived in Germany a thousand years and been there before the Germans arrived. And there would not have been the slightest hint of racism in this. If that had been the situation, we would have said to the Jews of Germany that they had nothing to cry about, because they themselves were guilty of inciting the hatred rising against them.

Therefore, if someone wants to seriously investigate the question of hatred toward non-Jews in Israel, he should take a look at the attitudes toward all non-Jews, not just Arabs. I have not actually made a study, but it seems quite clear to me that we do not hate the Druzes or the Circasians or the Bedouins. There are also thousands of Yugoslavian and Rumanian workers roaming around the country, there are Vietnamese refugees, and UN soldiers from Norway and Fiji, and I have never seen any manifestation of hatred toward them. Just the opposite. The impression is that the Israeli in the street welcomes them.

But the reason the Arabs are hated—and this is something that cannot be denied—is not because they are not Jewish, but because they have declared war against us and are carrying it out despicably and murderously. One week of murders strengthens this hatred and broadens its dimensions until it erases all the gains the democracy education unit has made in the entire last seven years. One murder of a Nisim Toledano (May the Lord avenge his blood!) influences the hatred of Arabs more than a thousand

lessons from a teacher, or a thousand informational pamphlets trying to lessen the hatred. And so, if the Knesset education committee wants to create an effective education campaign—and not just make headlines—to combat hatred of Arabs, it will find it more worthwhile to turn its efforts to the Arab schools. When they stop murdering us, we will stop hating them. That is a promise.

### **'Similarities' Between Attitudes of Likud, Labor**

93AE0202C Tel Aviv YEDIO'T AHARONOT in Hebrew  
2 Dec 92 p 19

[Commentary by Uri Elitzur: "We Were Already in This Film With Shamir"]

[Text] The Prime Minister was asked this week to what extent he would be willing to withdraw from the Golan Heights and he replied that "the whole world agrees with Israel's position" that the Syrians must first declare what kind of peace they are talking about. On the question of what comes first on the Palestinian problem, Rabin said that 'Arafat is the biggest stumblingblock to peace. Anyone who rummages a bit through interviews with the prime minister from a year ago will find very similar statements. A natural thing, apparently, except for the peripheral fact that the prime minister has changed in the interim.

This is not a question simply of similarity between Rabin and Shamir. Several days earlier, on the Yaron London television game, you could see Yosi Beilin talking exactly like Roni Milo'. They asked him simple, direct questions, and he twisted and turned with verbal exercises and evasive paraphrases. The general impression was that he was playing the old game of serving the ball to the Arabs' court in the veiled hope that it would get stuck there and never come back.

It seems as though this government is very close to the deadend position of its predecessor and will also soon be spending most of its time in rebuffing heavy pressures, both internal and external, and in sophisticated but non-convincing explanations from the international bench of the accused. For Rabin was correct in telling his listeners that "the whole world" agrees with the Israeli position that the Syrians must clarify what kind of peace they are talking about, but he did not tell them the second part of the sentence: The whole world also agrees with the Syrian position that Israel must withdraw totally from the entire Golan.

That is why the Rabin government, like the Shamir government, has already entered on a dangerous path of legalistic exercises and obstinacy with the (perhaps not entirely conscious) aim of endlessly postponing the moment of truth when we stand alone before "the whole world." But what was true for Shamir is true for Rabin, as well. It is impossible to evade forever. The dog will not die, the squire will not give up [unlike the Jew in the story who, when ordered by his feudal squire to teach the latter's dog to talk, begged for and was granted five years to accomplish the task], and the difficult moment will come to pass. The more we postpone it with tricks and exercises, the more it will become no easier—but quite the contrary. The world will be more and more against us, and rightfully so. Not because the world is anti-Semitic, but because we are

deceiving it. We pretend that the principal debate is over peace when it really is about the territories. Even in the view of the Labor party.

In order to understand the matter, we have to go back to the basic formula—territories for peace. We have gotten so used to it that we accept as a matter of course that there is a price for peace, that clearly it is impossible to get peace for nothing. And we have not yet had a little [Hans Christian] Andersen boy get up and ask the simple question: What are you talking about? Is there anyone else in the world who is openly asked to pay a price for the right to live in peace? After all, peace, like love, is an elementary right that is due every human being for being human—free, without money. How can it be that the fair-minded, enlightened part of the world can make this demand of us, which is criminal in its very essence: You have no right to live in peace unless you pay.

The answer is simple and very important: The world does not hate Israel and the world is no gangster. We are the gangster. For 25 years we have been conducting a dialogue with the Arabs in which they demand their lands, and we reply that we have strategic interests and security problems. That is the argumentation of bandits. I wear your coat because I am cold, and I can prove pragmatically and analytically that I am cold. But the world asks a very primitive, nonanalytical question: Whose coat is it?

Anwar Sadat kissed the sands of Sinai in front of the television cameras and gave voice to messianic and entirely irrational arguments about the swirling grains of sand of the holy Arab land. The enlightened world was very impressed and gave him both the holy lands and the Nobel prize for peace. We, on the other hand, spoke coolly and pragmatically about security requirements and economic interests, and the enlightened world sat us down on the bench of the accused and took away from us even the poor half kilometer of Taba.

That, essentially, is what Yosi Beilin and Roni Milo' have in common. Both of them appear in the part of the wicked gangster's clever lawyer. Therefore the more brilliant they are in their measured and pragmatic arguments, the more angry the world gets and the more it feels deceived by us. Because the formula of territories in exchange for peace is basically a moral stance, not a political one. It assumes that we are holding stolen land. The world is not asking us to pay for the right to live in peace, God forbid. Only to return the stolen merchandise. This is the moral meaning of the formula, while the political meaning is full peace in exchange for full withdrawal. But full, without tricks.

A territorial compromise is another formula entirely. A territorial compromise is territories in exchange for territories and peace in exchange for peace. Its moral meaning is that we claim the land is ours. If the Labor party wants territorial compromise and not total retreat, it should start saying that, damn it, and bring up some good reasons, i.e., primitive rather than sophisticated ones. First of all, it must stop philosophizing about peace and finally start talking about the territories. Talking with the world about Jewish history, holy lands, the patrimony of our fathers, about blood, man, and land. Not all the world will agree with us, but the world will begin to understand us, and it will no longer think that we are clever shysters.

A quarrel over lands is a very understandable and very human issue that can lead to reasonable compromise. On the other hand, in an argument between holy lands on the one hand and pragmatic considerations on the other, pragmatism will always lose, both the sympathy and the land.

### Competition for Chief Rabbinate Discussed

93AE0202F Tel Aviv YEDIO'T AHARONOT in Hebrew  
18 Nov 92 p 27

[Article by Shoshana Hen: "The Battle for the Rabbinate"]

[Text] The race for the positions of the two chief rabbis is gathering momentum. Indeed, there are still more than four months until the 25th of March, the date of the end of the term of the present rabbis, the Ashkenazi rabbi Avraham Shapira and the rabbi for Rishon LeZiyyon, Mordekhai Lei. But the battle for the two positions is already in full swing, and it was never so bitter.

This may also be the first time that the struggle has focused on the secular community. Things have gotten to the point where one of the candidates, Rabbi She'ar Yishuv Hakohen, has enlisted the services of a PR [Public Relations] man. Rabbi She'ar Yishuv Hakohen sees nothing wrong in that: "When I argued with some of my friends that the advertising of another man was so abundant as to leave all the other candidates in the shadows, they told me that was also a cause for concern."

When Rabbi She'ar Yishuv says another man, he means Rabbi Israel Lava, the Ashkenazi candidate with whom he is competing. "I never needed the services of PR people," Rabbi Lava responds. "I never asked a reporter to write about me. I hold with the rule that your deeds will make you or break you, and that he who pursues glory will find that it runs away from him."

Past candidates for the rabbinate seat drew most of their strength and prestige from the rabbinical and seminary establishment. Why, then, is the race now being deflected, to a not inconsiderable degree, into the secular arena?

Well, it is no secret that in the Orthodox community itself Rabbi She'ar Yishuv Hakohen and Rabbi Israel Lava are not considered Talmudic scholars and at the first rank or leading religious judges. Nevertheless, both of them know and understand the media and appear in it a lot. Both of them have good friends in the right places.

Mentioned as one of the main lobbyists for Rabbi She'ar Yishuv is the mayor of Hail, Arye Gurgle. Another supporter is Yitzhaq Rabin, the Prime Minister. Rabbi She'ar Yishuv's confidantes love to tell how at the time of the Gulf War, Rabin jumped off for a day to New York to appear as the guest of honor at a fund-raising "dinner" held by the Ari'el institutions, the institute for training religious judges, headed by Rabbi She'ar Yishuv.

Shimon Peres, on the other hand, supports Rabbi Lava. Lav's brother, Naftali Lavi, served for years as spokesman for the Defense Ministry and is drumming up support for his brother's election. The same is true of Hadasa Ralbag, Lav's mother-in-law and the wife of Rabbi Yitzhaq Ralbag, the head of the religious council in Jerusalem.

The function of the parties this time around is relatively secondary in comparison with the past. Thus, for example, the present Chief Rabbi, Rabbi Avraham Shapira, owes his election to an alliance between the Labor party and the National Religious Party [NRP].

Ten years ago, like today, the president of the country and the chief rabbis were up for election at almost the same time. Labor was interested in Haim Herzog. The National Religious Party wanted Avraham Shapira. By the terms of the agreement, the NRP supported Herzog and Labor supported Rabbi Shapira.

This time the NRP is not officially behind its candidate, despite voices within the party that demanded backing for Rabbi She'ar Yishuv, who served as deputy mayor of Jerusalem under its auspices.

The Orthodox parties are not excited by the elections that are not particularly significant for them. SHAS [Sephardic Torah Guardians] is supporting Rabbi Lava to be the Ashkenazi rabbi, but will not go to the barricades for him. Naturally SHAS is more interested in the Sefardi rabbi and supports Rabbi Baqshi-Doron of Hail, who is considered Rabbi Ovadiah Yosef's right-hand man.

Who are the candidates? As we noted, two people are competing for the Ashkenazi position: Rabbi Israel Lava and Rabbi She'ar Yishuv Hakohen.

Rabbi Israel Lav (55), the chief rabbi of Tel Aviv, has extensive contacts in the secular community, but is also known for his comings and goings in the religious and Orthodox community. There are not many rabbis who have the doors of all the Orthodox circles open to them. Rabbi Lav boasts the support of the Lubavitcher rabbi, Rabbi Shakh, the rabbi from Gur, and Rabbi Ovadiah Yosef.

Among his female students was the wife of MK [Member of Knesset] Moshe Qatzav, who is drumming up support for him today in the upper echelons of Likud. From Tel Aviv he went to Netanya, and returned to Tel Aviv as chief rabbi, in no small measure thanks to Tshit's stubborn support—an example of Rabbi Lav's diplomatic and political reliability.

Rabbi Goren's present criticism about the need to do away with the chief rabbinate for a lack of scholarly candidates, was aimed at both of the Ashkenazi candidates. Rabbi Lav kept quiet and escaped unhurt. Rabbi She'ar Yishuv Hakohen reacted and focused all the spotlight on himself. Everyone is convinced that Rabbi Goren meant him.

Rabbi She'ar Yishuv Hakohen (65) is the son of Rabbi David Hakohen. A graduate of the "Merkaz Harav" seminary, the father of a daughter who served in the army, he also served in the army for many years and was discharged with the rank of Lt. Col. In the War of Independence he was wounded in his leg by a Jordanian bullet and fell into captivity, where he remained for seven months.

When he returned from captivity, he was ordained into the rabbinate by Rabbi Yitzhaq Herzog. He studied law, established the Ari'el institutions, the largest and most famous of which is the prestigious Ari Fishel Institution, named for his wife's grandfather.

He refuses to comment on a break in relations with his brother-in-law, Rabbi Shlomo Goren. "You do not air dirty family laundry in public," he says, and denies that they are not talking. "We meet at family events and talk amicably." Then why did he criticize you? "I think he made a mistake."

At the beginning of the week, Rabbi She'ar Yishuv published an announcement of apology in the Orthodox press for his remarks to the newspaper AMUDIM on the question of his support for civil marriages. "I was misunderstood," he claims.

Three candidates are competing for the position of Chief Sefardi rabbi: Rabbi Elihu Baqshi-Doron, the Sefardi rabbi of Haifa. He is a native of Jerusalem, a graduate of an Orthodox high school and the "Porat Yosef" seminary, where he studied and taught. He served in the Rabbinate in Bat Yam, and from there made his way to Haifa. His relations with his Ashkenazi counterpart have had their ups and downs, until they were able to agree that Rabbi Baqshi-Doron would be responsible for weddings and Rabbi She'ar Yishuv for the laws of kosher food preparation.

Baqshi-Doron gained renown, among other things, for his ruling that the Haifa theater hall is not a respectable location worthy of having a mezuzah, and if any were

already installed, they should be removed. He, furthermore, ruled that the religious council is an administrative body, and women can therefore serve on it.

Rabbi Haim David Halevi (66), a native of Jerusalem, is the Chief Rabbi of Tel Aviv and a graduate of "Porat Yosef." He is considered a person who hates power and despises ceremonies and events that are a part of public relations. Five years ago he preceded Rabbi She'ar Yishuv with a proposal to institute civil marriage in Israel.

In his books he expresses his view that the State of Israel is an outstanding religious spiritual phenomenon. Among other things, he even suggested changing the formula of the "Eighteen Benedictions" prayer on Independence Day.

Rabbi Elihu Abarjil (45), of Jerusalem, the rabbi of the Biq'a neighborhood, gained renown when he stopped the Simhat Torah dances in the reform synagogue in the neighborhood. Today he serves as the chief religious judge in Beersheba. He is considered to be an author of bold decisions, but also as the candidate with the lowest prospects for the seat of Chief Rabbi.

By the way, many people forget that the choice of the Chief Rabbi for Israel will leave positions open in the rabbinate in Haifa or in the more interesting rabbinate in Tel Aviv—which means that we can expect a second round of elections.

**Finance Minister on Development, Pension Funds**  
93AE0219D Tel Aviv YEDI'OT AHARONOT  
in Hebrew 18 Dec 92 pp 10, 11

[Interview with Finance Minister 'Avraham Shohat by Sever Plotzker; place and date not given; first four paragraphs are YEDI'OT AHARONOT introduction]

[Text] A gloomy national mood does not just appear overnight. A citizen opens the paper in the morning and what does he read? That the finance ministry is speeding up the liquidation of the "Hasneh" insurance company, and hundreds of workers will be laid off. He reads that a committee of experts in the treasury are recommending cutbacks in military manufacturing, and thousands of workers will be laid off. He reads that the finance ministry is demanding that the management of the sick fund institute a recovery plan, and that more thousands of workers will be laid off.

Five months after the Labor government was formed under the rallying cry of "the War against Unemployment," it is beginning to look more like the "Layoff Government," and the finance ministry as "first in layoffs."

This image offends the finance minister, 'Avraham Shohat, and does him an injustice. He inherited these crises from the former government. "When I arrived and opened the drawers of my desk in the treasury," 'Avraham Shohat said to me angrily, "I did not find a thing in them." Just a few dried-up cockroaches. In the treasury they did not prepare plans for solving anything. All the strength and energy of the workers was dedicated to one goal—how to avoid expense, how to turn down projects. "There was this kind of atmosphere, of lack of action and lack of preparation for action, that the politicians created and fostered, and the bureaucrats, of course, adapted themselves to it," Shohat explains.

"From now on," he emphasizes, "I want to be a completely different kind of finance minister," from his predecessors. "I want to encourage involvement, and the bureaucrats will have to adapt themselves to me."

"Are the bureaucrats in the treasury against you?"

[Shohat] "I am not saying anything bad about the bureaucrats in the treasury. But, of course, from here on they will have to work according to my new-way approach."

Good morning, snow in Jerusalem! Good morning, Bayga Shohat No. 2! Our finance minister is changing, and trying to change fast. Today he understands that how well he functions as leader of the Israeli economy will not be measured by how many plans he manages to frustrate or delay because others developed or proposed them, but by exactly the opposite. Shohat's success will be measured by the number of investment plans he adopts and carries out. To the public it is not important who did the sowing; they care only about who is bringing in the harvest. 'Avraham Shohat still emanates cordiality and pours out details, but his views have changed. The same economic commentators who praised him because of the surprising liberalism they found in a Mapainik [member of Israel Workers' Party] like him, will not love him in the next few months. It is impossible to be liked by everyone all the time; not even 'Avraham (Bayga) Shohat can do that.

The change in Shohat is still not complete. Sometimes, in the course of my talk with him, it seemed as though two spirits, Bayga, who turns things down, and Shohat, who gets things done, were still struggling for his soul, fighting for control of his words and actions. From time to time, he still sounds like a politician controlled by his bureaucrats; but more and more he sounds like someone whose loyal bureaucrats are beginning to get on his nerves.

In another week, fiscal year 1992 will be over. What is the condition of the public treasury? On the surface, things couldn't be better—there are surpluses of money that have not been used—just what makes any money manager happy. But 'Avraham Shohat is worried.

[Plotzker] Are you really worried about that—that the budgetary deficit this year is much, much smaller than planned?

[Shohat] I am very worried that the development budgets have not been fully utilized. A billion shekels, maybe more, were not invested in the economy as the ministries had committed themselves to do. Do you know that we built only 40 percent of the new classrooms we were supposed to finish according to the budget? That only half of the roads were paved? That only 15 percent of the plumbing systems were laid? This is glaring underproduction. I am not going to put up with it in the next fiscal year.

[Plotzker] What are you going to do? Will you punish the ministers who save?

[Shohat] Exactly. I will fine a minister who is stingy.

[Plotzker] How?

[Shohat] In a few days a special senior official will be appointed in the treasury, a well-known investment expert, whose job will be to trace closely the fulfillment of development budgets in the various government ministries. This person will check what percentage of the commitments have been fulfilled, and find out what is causing delays. I will make sure he has the administrative tools he needs to unplug jams. And the minister who refuses to cooperate, who still lags behind in production, will simply find his unused funds put somewhere else.

[Plotzker] Let me ask you again: do you really mean that the finance ministry is going to punish ministers who end up with unused surpluses in their development budgets?

[Shohat] Yes. Not using the money does not mean saving. What kind of "saving" is it not to carry out plumbing projects planned at 200 million shekels? I will take the funds away from any government ministry that behaves that way, and transfer them to another ministry's development budget. Yes, there will be a penalty.

The new office for budget facilitation (or delay prevention) is expected to be part of Shohat's revolution in the treasury. Next year, he says, the government debate on the 1994 budget will already be beginning in the early summer of 1993: "The government will have to decide on the direction and the form its economic policy will take, and the budget itself will be developed in accordance with that."

[Plotzker] Why is it suddenly the government that is going to decide on policy? Is not the government only the rubber stamp for the treasury?

[Shohat] It would be incredible if the government of Israel did not decide on the economic strategy for the coming year long before the budget is prepared. A strategy debate like that should be held before the budget is proposed. Today it is all done together, under pressure.

[Plotzker] And are you not worried that the finance ministry's power may be weakened?

[Shohat] Of course not! The treasury will prepare all the materials for the strategy debate.

The word "strategy" is already in 'Avraham Shohat No. 2's lexicon, but 'Avraham Shohat No. 1 is still not completely free of the fear that somebody may steal up from behind and cut a hunk from the finance minister's political power as the crown of the administration's economic pyramid. Gnawers and underminers of various kinds, real or imagined, still disturb his thoughts. There are people whose names make Shohat bristle like a porcupine. For example, the managing director of the prime minister's office, Shim'on Shabas.

[Plotzker] What do you think of the plans for growth and employment creation that were prepared in the prime minister's office by managing director Shim'on Shabas and national security adviser Hayim 'Ata'?

Shohat No.1, first answer: "I have not seen those plans. I do not think they were presented to the prime minister. I am against witch doctors and answers that are nothing but a bluff."

Shohat No.2, after thinking some more, the second answer: "On the other hand, let them come to me, show me all the programs, I do not automatically reject any idea, I will just ask the experts in the finance ministry to examine them carefully."

[Plotzker] And still, this does not seem to be the customary way of doing things—for the prime minister's office to act as a second ministry of finance?

[Shohat] It is the prime minister's right to get advice from anyone he chooses on any topic he wants. But from my viewpoint as minister of finance, there is only one budget, and only one economic policy, which no one else can run in my place. The finance ministry system is very strong.

[Plotzker] Are your relations with the prime minister still "good and direct?"

[Shohat] Definitely. The things said about me, which come from all kinds of places, do bother me, but I am not going to spend most of my time bending Rabin's ear because of that. That nonsense does not interest me. I make economic policy, and it is decided here, in this room. I feel comfortable with that.

[Plotzker] Do you perhaps feel a little too comfortable?

[Shohat] I believe that if people understand what I am doing, the atmosphere will be more optimistic. People will understand that they have a finance minister who tells the truth. All in all, Israel's citizens are not doing so badly. According to most criteria, 1992 was a good economic year. Fast growth, low inflation. The only black mark was unemployment.

[Plotzker] If unemployment is the problem, then why does it sometimes seem that instead of fighting unemployment itself, you are fighting the programs that are supposed to combat it?

[Shohat] I opposed suggestions that were not really serious. I absolutely rejected the proposals for part-time employment that came from Prof. Ya'akov Frenkel, the Bank of Israel's managing director. In my opinion, his proposals for government-funded projects were mistaken. Sometimes Frenkel and I have differences of opinion, but overall, the relationship is as it should be.

[Plotzker] And in the prime minister's office they are undermining you?

[Shohat] I do not know. I imagine that the prime minister hears various things about me, but I get upset only when complete lies are circulated. The subject of unemployment is at the head of my concerns. A ministerial committee was set up to discuss employment concerns, and next Monday will be its final session. I will present my practical program there.

[Plotzker] What will you present?

[Shohat] I will present proposals for major investments in infrastructure, new marketing funds, projects in education and social services, construction of public buildings, and commissioning development plans. The scope could reach a billion shekels or more.

[Plotzker] Will there also be authorization for proposals that will move faster? Where is the national project that will give citizens the feeling that the government does not just close down plants and lay people off, but that it also opens plants and expands them?

[Shohat] I have many executable plans like that, but let it be clear: With me there will be no empty balloons and no bluffs. I am not a liar. I want to tell the people the truth—that a true solution to the problem of unemployment takes time. Plenty of time. The people will understand.

[Plotzker] The people will understand? Do you not think that the present government is already living on the borrowed time of fading public enthusiasm?

[Shohat] No. The expectations from the new government were inflated, and that is the reason for the disappointment. The internal clock of the citizens who want to see change runs much faster than the government's ability to change the reality. What do they want, an economic revolution in four months?

[Plotzker] They want to see the slogans of "change" realized. The feeling in the street, Mr. Minister, is that what has been is what will be: that you are just continuing what Moda'i started.

[Shohat] How can anyone say I am just continuing the previous finance minister's policies? Here: I am bringing back the allowance for first and second children. I am ensuring wheat prices for farmers. I am giving hundreds of millions of dollars in credit guarantees for Israeli exports to states like Kazakhstan, Uzbekistan, and Poland. I am doubling the budget for roads within Israel, not in the territories. I am authorizing tremendous supplements to the education budgets. What is this, if not a sharp change of course? They call this a continuation budget? My budget

for 1993 is completely different from the 1992 budget the former Likud government authorized. A list of my changes is attached at the end of the document. But I am not going to be a populist.

Though Shohat is a patient man by nature, he still reacts impatiently to the impatience of the citizens.

Relations between the finance ministry and the Histadrut [General Federation of Labor] seem much less favorable when we remember that Shohat and Habinfeld come from the same party. Habinfeld says that Shohat is less friendly to the union than the last finance minister was. He dubs "Hasneh's" dismantling "the theft in the night of Histadrut property." Shohat answers that the Histadrut is living pretty much on the moon, and does not understand its true situation.

About the way "Hasneh" was managed, for example, the finance minister holds that the Histadrut owners of the company ran it down from failure to failure, and that "It is a scandal that they are opening their mouths now, when the treasury has put on the brakes that kept all the people who are insured by the company from crashing on the rocks."

And when it comes to the military industries, Shohat does not understand why, after the government authorized the expensive recovery program for Israel Aircraft Industries [IAI], the Histadrut is criticizing it so harshly.

[Plotzker] Are you comfortable with the decision to channel hundreds of millions of dollars into the military industries while laying off 2,500 of its workers?

[Shohat] If the government related to the IAI as a business alone and acted strictly from business considerations, it would decide to close down the IAI. That is the economic alternative. No directorate of any company in the world would be prepared to invest more hundreds of millions of dollars in it, astronomical sums, based on an operative recovery program, when there is no promise at all of what will come afterwards. All of the weapons and munitions industries in the world are folding up and being liquidated. But the government of Israel decided to support the recovery of the IAI because of national political and strategic considerations, notwithstanding the fact that it is an enormous burden on the budget.

[Plotzker] You channeled money into the sick fund even without an operative recovery plan...

[Shohat] The Histadrut sick fund committed itself to present a recovery plan by the end of the month, and it will present it. I assure you, it will present it. New management is running the fund today, professional, not political, and separate from the Histadrut staff. This is a very big step forward.

[Plotzker] Were you surprised at the seriousness of the sick fund crisis?

[Shohat] I never had time to be surprised. They put the crying baby that was the sick fund on my desk the day after I took office.

[Plotzker] And at the seriousness of the pension fund crisis?

[Shohat] The Histadrut pension funds are a time bomb, but the fuse is long enough to make it possible to neutralize it

quietly. I hope within a year to get a comprehensive solution on a firm footing. It is clear to me that the government will have to bring a national pension insurance bill to the Knesset, together with a national health insurance bill. These two bills will jump-start the Israeli welfare state—not one class forward, but an entire school forward.

The principle that will govern the future operation of the [social welfare] system in Israel, says 'Avraham Shohat, is freedom of choice for the insured, who will be able to choose for themselves the kind of sick funds or pension funds they want. The Histadrut institutions will have to compete with private institutions, with the government making sure the rules of the game are followed and giving subsidies according to clear, uniform criteria. There will be competition—competition is good for everyone. "This approach," Shohat continues, "protects against Histadrut criticism, strongly anchored in the resolutions of the last Labor party convention."

On the day I met with Finance Minister 'Avraham Shohat, there happened, as though they had been coordinated, four events that illustrate our economic reality: the consumer price index was published, showing another dip in inflation (the great success story of 1992); employment service statistics were published, showing another rise in unemployment (the great failure of 1992); the Gush Dan highways were jammed completely (a sign of failing infrastructure); and in the Knesset there was an irritable discussion of the incident of the sale of Bank Mizrahi to businessman Gad Ze'evi (the endless red tape of petty details).

Four months ago, in the hot August of this year, the media immortalized the warm handshake between 'Avraham Shohat, then the fresh finance minister and seller of bank shares, and Gad Ze'evi, then the happy winner and sought-after investor.

How did it happen that the State of Israel signed a contract with a man in August 1992, and in December 1992 disavows it?

"I entered the picture in that transaction only when the latest difficulties were discovered. Every case of examination of candidates for acquiring controlling shares of the banks in Israel is the sole responsibility of the Bank of Israel. I did not try to influence. But I do not blame anyone—it will be very bad if the finance ministry also gets involved in it."

This is still spoken in the style of the "old" 'Avraham Shohat: the finance minister who guarded the Ministry of Finance from over-involvement in the economy. That is what caused the complaint that he does not lead, he is led; that he does not push, he is pushed. Now, under the pressure of the circumstances, in a nonsupportive intra-party environment, 'Avraham Shohat is freeing himself from the image of "town treasurer," or "neighborhood bank teller," and is putting on the image of "national entrepreneur." Assertive.

"I am making," Minister Shohat tells me, "a complete change in the direction of the budget. I am making a change in the entire character of the government's economic activity," he declares. But the change in his political personality will really be complete only when we stop calling him "Bayga."

Because that is not how you address a finance minister!



## Funding Plans for New Development Zones Reported

93AE0202D Tel Aviv YEDIO'T AHARONOT  
in Hebrew 3 Dec 92 pp 17, 26

[Article by Nahma Do'aq: "Changing the Map"]

[Text] Yesterday a thick booklet was placed on Prime Minister Yitzhaq Rabin's desk dealing with a reclassification of all the development areas in Israel. Heading the committee that prepared it was the general manager of the Prime Minister's office, Shim'on Shabes, and the work was coordinated by Yehezkel Harmelekh, former general manager of the Economy and Planning Ministry. Everyone agrees that it is a very profound and basic piece of work.

The first thing that hits the eye when you look at the map of the new benefits is that all of the settlements of the territories, except for the Gaza Strip and the area south of Mt. Hebron that was a last-minute addition to the map, were removed from the group of benefits recipients. Industrial areas adjacent to the settlements, and this includes Barqan, will stop receiving benefits. However, the committee recommends a transition period in all those settlements that received benefits in the past until they are phased out. A plant set up in Barqan, for example, that had planned to pay a reduced tax over the next ten years, would continue to receive benefits for the transition period. The committee further recommends that changes in the benefits map in the area of education be applied beginning only in academic year 1994, and that the cancellation of those benefits that were decided upon be on a graduated scale. That is to say, the cancellation would not apply to teachers who hitched their star to a particular settlement, knowing that they would receive tax and other benefits—but only to new instructional employees in those same settlements.

The committee unified the entire benefits map. Until now, each government ministry had its own benefits map, and overall there were ten different benefits maps. Each ministry had its priority settlements that it wanted to push. From now on, there is only one map and one benefits package that will apply equally to all settlements. "Point treatment will be only according to equal, unified criteria," says Harmelekh, "criteria that were decided upon and that will be known in advance, thus preventing improper and alien pressure."

The settlements that will get the benefits will no longer be called development areas but rather "settlements under National Priority A or B." "This accords with the government policy on changing the national priorities," says Shim'on Shabes.

The new map of settlements under national priority A includes 337 settlements. Two hundred and nine settlements are included under national priority B. A large portion of the cities and towns included in the past among those qualifying for benefits were removed from the list. No longer Or Akiba, Yavne, Qiryat Mal'akhi and other settlements in the center of the country. From now on the benefits will be allotted only to settlements on the confrontation lines and especially in the upper Galilee, the Golan Heights, and the Negev. If the government should want to encourage settling in other settlements, because of severe unemployment problems or other social problems, the



KEY:

1. National Priority Zone A (maximum benefits)
2. National Priority Zone B (limited benefits)

committee of general managers will be able to take up the issue and decide to apply the Capital Investment Encouragement Act to them for a period of two years. After the end of that period, there would be need for a new discussion and the receipt of certification.



The committee recommends that in greater Jerusalem—including Giv'at Ze'ev, Har Adar, Giv'on, New Giv'on, Gush Etzion, and Efrat—benefits be given in accordance with the Capital Investment Encouragement Act to high-skill and high-tech plants, as in the area of national priority A. In those areas, maximum assistance will also be given in the area of housing, including depressed neighborhoods and new neighborhoods built after 1967, including Ma'ale Adumim.

Included on the benefits map are also a large part of the Druze and minority settlements. However, the committee decided that benefits for Druze settlements would be in accordance with the government decision on the issue, and with regard to the minority settlements, the committee of general managers would meet and decide how to assist them.

Prime Minister Yitzhaq Rabin endorsed the committee's conclusions and will bring them to a vote at the government session on Sunday. Subsequent work on legislation is expected to allow the implementation of the new decisions, since a change in the Capital Investment Encouragement Act requires a change in legislation.

#### **The Benefits Package for National Priority A Settlements.**

- Incentives for social workers: Four-year increment in seniority and full reimbursement for travel expenses.
- Day-care centers: Granting of a step 1 discount in day-care centers. The value of the discount is about 500 shekels per child per year.
- Grants for raising hothouse flowers and vegetables—40 percent of the investment.
- Grants for raising plants and citrus—forty percent of the investment.
- Grants for raising aquarium fish—forty percent of the investment.
- Grants for raising ostriches and crocodiles—forty percent of the investment.
- Grants for raising meat—forty percent of the investment.
- Grants for raising fish to eat—30 percent of the investment.
- Grants for mechanization and equipment—20 percent of the investment.
- Female tutors for in-plant training—65 percent of the budget.
- Income tax adjustments—10 percent of taxable income up to a ceiling of 8,000 shekels for settlements up to 10 km from the border and for Golan Heights settlements. Five percent for the rest of the settlements.
- Purchase tax adjustments—one half percent of the value of the purchased apartment as compared to 4.5 percent in the rest of the settlements in the country. This is a new benefit that previously was not given at all to development areas. It will also apply to settlements under national priority B.
- Full tuition coverage for prerequisite kindergartens.
- Full participation in the cost of matriculation exams.

Incentives for teachers:

- Four years advancement in seniority.
- Seventy-five percent participation in children's tuition.
- Full reimbursement of travel expenses.
- Forty percent participation in rental expenses.
- Payment of sabbatical year travel expenses.

Settlement under national priority B will get only some of these benefits and to a lesser degree. Some of them, such as the income tax discount, do not apply at all.

#### **IAI Reports Layoffs, Closure**

93AE0219C Tel Aviv YE'DIOT AHARONOT (Financial Supplement) 18 Dec 92 p 1

[Article by Arye Egozi]

[Text] Israel Aircraft Industry's [IAI] recovery program, authorized by the government yesterday, determines that in the next year and a half about 2,400 workers will have to leave their jobs in military manufacturing. It has been decided that, among others, the light weapons factory on Shalom Road in Tel Aviv will be closed, and under the reduced format only 150 of its 450 workers will be transferred to Ramat Hasharon. The Kiryat Shmoneh factory, which at first was slated for closure, will continue to operate but will undergo structural changes. The munitions plant in Nazareth will be downsized, and only 200 of the current 380 workers will stay on.

The work force will also be reduced at company headquarters in Ramat Hasharon, mainly in units that do not directly contribute to production. The central engineering unit at 'Atidim industrial park will also be cut down. Among the factory workers who will lose their jobs because of the plan, there has been unrest since the decision was made to keep open the factories in Jerusalem, Ma'alot, and Mishor 'Adumim, despite the fact that there is no economic justification for doing so. The workers in Haifa and Ramat Hasharon fear that their being kept open because of what they call "political pressure" will lead to attrition in their wages.

Military sources said yesterday that one of the problems for military manufacturing has been in the marketing system, which has not been able to deal with the changes that have taken place in the arms market. In the IAI's fields of production—which include mainly basic products like artillery pieces and shells and light ammunition—the competition is fierce. The IAI has almost no unique products for export, and this will make it hard for it to extricate itself from the crisis.

Those same sources said yesterday that "the government's go-ahead is only the beginning of the road. Now management will have to prove that it can see the plan through without compromise." A chance for a surgical operation like this will not come around again for many years.

The IAI management hopes that most of the workers who have to leave will do so within the framework of voluntary retirement with preferential benefits. The others will be sent pink slips. IAI will set up a career advice and job placement center to help the departing workers find alternative work. Professionals will also advise them on investing their severance pay.