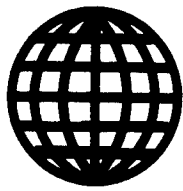


JPRS-NEA-93-079

24 June 1993



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# ***JPRS Report***

# **Near East & South Asia**

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# Near East & South Asia

JPRS-NEA-93-079

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24 June 1993

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## REGIONAL AFFAIRS

### Editorial Stresses Iraqi Role Against Iran

93LA0053A Baghdad AL-IRAQ in Arabic 27 Apr 93 p 3

[Editorial written by "Studies Section": "The Arabs and Iran, and the Correct National Strategy"]

[Text] There are many Western statements describing Iran as a country outside international law; but the big question is, what have the speakers of these statements done against Iran, this outlaw of international law?

Our aim is not to incite Iran. We only want to make a comparison between the anti-Iraq policies of the West, so attached to international law, and Western policies that make things easy for Iran, which fosters international terrorism and interferes in the internal affairs of many countries.

An objective look at this matter inevitably establishes a great truth: that the Western statements against Iran are mere words, intended to throw dust in people's eyes. The Iranian role in the Arab region serves Western interests. There are channels that serve the West's strategy.

Western warnings of Iran's policies never go beyond the "game" by which Iran is meant to be pushed onto the scene to secure further services that strengthen Western influence. This is because these warnings, which criticize Iran for undermining the stability of many countries, have nothing to say about Iran's dangerous arming—or else they handle the topic with intense caution and wariness.

Those who speak of Iran's subversive role must, before speaking, cease offering facilities that increase Iran's military arsenal. Iran's moves in the arms market and its success in signing arms purchase deals would not have been as great had it not been for the West's vague policy in this regard.

The West's dominance in the field of arms sales and technology and its close monitoring of these does not need to be proved. Everyone knows that the West is intent upon this dominance, considering it one of the major prerogatives by which it can adjust the military balance of power.

If the West were really intent upon this principle, in view of its past struggle with the communist camp, which was a major source of armaments, then after the collapse of this camp, it would have adhered to this principle to make it an important formative element of the new world order.

What is the West's position on Iran's feverish hunt for arms? Why does it ignore Iran's dangerous intentions toward obtaining nuclear armaments?

Most of the reactions we hear at this level are timid statements.

A comparison of these statements with the West's actions against Iraq leads us to a bitter outcome—that the West does not turn its statements into mere verbal warnings, but into a destructive war, even though they knew that Iraq's moves in the atomic field were as far as possible from being a nuclear weapons program.

The West discriminates between Iraq's nuclear move, which was the peaceful use of the atom, and Iran's, which western scientific circles themselves confirm to be military, aimed at obtaining a nuclear bomb by the end of this decade. This discrimination makes clear the West's bet on Iran and its benefit from the sum total of Iran's political and military actions.

Iran is always the fuse for the crises and problems of this region. In igniting stability and exposing it to tension, it serves, directly or indirectly, the plans and interests of the West.

Of course, those most harmed by Iranian policy are the Arabs, their interests and security, because the creation of problems is meant to undermine Western stability, oppose Arab identity, and disrupt the national security of the Arab nation. Only the Arabs' enemies benefit from this. Will the Arabs understand this fact and reach a supreme strategic national agreement that will put aside their disagreements and grasp the Iranian danger and its anti-Arab goals?

The fact that the Arabs are ignoring this reality means that they are offering their interests as a gift to their enemies. They are giving Iran the chance of a lifetime to serve its policies, which are opposed to the Arabs and their interests. On the contrary, the Arabs' awareness of this is leading them to an understanding of the nationalist position that represents the strong Western barrier against Iran. And, of course, this barrier cannot rise up as it should without a strong Iraq.

Past experience is sufficient evidence in this regard!

### Regional Trade With EC Declines

93AF0623A Algiers LIBERTE in French 13 May 93 p 3

[Text] Trade between the EC and the Maghreb has declined markedly, according to the official figures recently published in Brussels in a bulletin by the Statistical Office of the European Communities (Eurostat).

The Maghreb's imports from the European countries fell by 335 million ECUs [European currency units] between 1991 and 1992, according to the bulletin. During the same period, the Maghreb's exports to the EC fell by 1,109 million ECUs, to a total of 14,455 million.

In the case of Algeria, imports from the EC during the first nine months of 1992 totaled 2,755 million ECUs. Morocco imported 2,825 million from the EC, Tunisia 2,512 million, and Libya 1,620 million.

Algeria's exports to the EC from January to September 1992 totaled 5,074 million ECUs compared with 5,665

million during the same period in 1991. For the three other countries of the Maghreb, the figures were 2,463 million ECUs (Morocco), 1,753 million (Tunisia), and 5,165 million (Libya). It should be noted, however, that despite this relative decline, trade between Europe and the Maghreb clearly continues to surpass the level of trade among the five countries of the Arab-Maghreb Union (UMA). Europe-Maghreb trade represents 97 percent, while trade within the Maghreb represents only 1 percent.

[Box, p 3]

During the first nine months of the year from January to September, Algeria's imports from Europe were as follows:

Algeria's Imports From Europe	
Commodity	Value (ECUs, millions)
Food, beverages, tobacco	577
Raw materials	71
Mineral fuels	42
Chemicals	346
Capital good, manufactured goods	1,704
Total	2,755

For the period from January to September 1992, Algeria's exports to Europe stood at 5,074 million ECUs (as compared with 5,665 million for the first nine months of 1991). By category, Algeria's exports were as follows:

Algeria's Exports to Europe	
Commodity	Value (ECUs, millions)
Food, beverages, tobacco	3
Raw materials	0
Mineral fuels	3,540
Chemicals	42
Capital good, manufactured goods	1,489
Total	5,074

Despite this relative decline, trade between Europe and the Maghreb clearly continues to surpass the level of trade among the five countries of the UMA.

## PALESTINIAN AFFAIRS

### 'Arafat Said Considering al-Husayni as Vice President

93AA0070B London AL-HAWADITH in Arabic  
14 May 93 p 12

[Text] A knowledgeable Palestinian source has said that Palestinian President Yasir 'Arafat has disclosed to some of his close advisers that he is considering appointing al-Husayni as "vice president" for the Palestinian delegation negotiating with the Israelis in the ninth round of peace talks currently in the American capital, Washington.

The source, which demanded anonymity, told AL-HAWADITH that 'Arafat's purpose in appointing al-Husayni as his vice president is to give legitimacy to the Palestine Liberation Organization during the negotiations in Washington.

The same source said that some of 'Arafat's advisers have proposed that Faysal al-Husayni also be appointed a member of the executive committee of the Palestine Liberation Organization. However, 'Arafat informed them that this proposal may not be approved because executive committee members have to be appointed through the Palestine National Council, the parliament in exile.

'Arafat made clear to his advisers—according to the knowledgeable source—that, in the present circumstances, he wants the Palestinians to appear neither divided nor split. 'Arafat is thus indicating that some of the Palestine Liberation Organization member factions would probably boycott the Palestine National Council meeting. Foremost among these would be the Popular Front for the Liberation of Palestine, headed by Dr. George Habash, the Democratic Front, headed by Nayif Hawatimah, and some other independents. Other factions have previously boycotted the Council meetings. Among these are Hamas and those factions that within the opposition "National Salvation Front," which has its headquarters in the Syrian capital, Damascus.

The same source quoted Yasir 'Arafat as saying that it is within his authority as president of the Palestinian state to appoint Faysal al-Husayni as his vice president. Al-Husayni's appointment would be a prelude to the establishment of a Palestinian government in the West Bank and Gaza Strip to be headed by al-Husayni himself.

The knowledgeable Palestinian source expects that 'Arafat will appoint al-Husayni to the office of vice president of the Palestinian state once he feels that the negotiations in Washington are proceeding in the right direction—according to the American promises to the Organization—towards ending the Israeli occupation of the West Bank and Gaza Strip.

### Druze Go to Tunis to Air Grievances Before 'Arafat

93AA0070A London AL-HAWADITH in Arabic  
14 May 93 p 36

[Article by Nabil al-Baradi'i]

[Text] One of the most outstanding events that has happened recently in the Palestinian arena in connection with the Arab-Israeli peace negotiations is the visit of a Druze delegation from occupied Palestine to the Tunisian capital to demonstrate the sect's loyalty to the Palestinian Liberation Organization. The delegation also declared the sect's strong affiliation with both the Palestinian identity and the Liberation Organization as the only legitimate representative of the Palestinian people in the occupied territories and the diaspora.

Political observers consider the Palestinian Druze delegation's visit a meaningful indication of the truth of speculations that a Palestinian state will be established within a period of not more than five years.

It is a fact that the Druze in occupied Palestine, whose numbers do not exceed 50,000, enjoy special Israeli privileges that are extended to neither Muslim nor Christian Palestinians.

Among the Druze's privileges is their eligibility to hold some government posts, including that of deputy minister. In addition, Druze are the only Palestinians the Zionist occupation authority allows to join the Israeli armed forces, especially the "border guard," whose members are known for their brutality.

Shaykh Jamal Mu'addi presided over the Druze delegation that met with the Palestinian president Yasir 'Arafat in the Tunisian capital. Other members of the delegation included poet Nayif Salim, the deputy mayor of the village of Yirka, Hasan Nasib Qasim, and the two journalists Suhayr Qablan and Fawwaz Abu-al-Zalaf.

Nayif Salim said: "The Palestinian Liberation Organization presides over our people wherever they are. We are Palestinian Arabs living in Israel. If our Palestinian state is established, hopefully soon in order to alleviate the pains of both the Arab and Jewish peoples, we would remain in Israel. Our fate will be that of other minorities in all countries of the world, since we were born in Palestine and lived there before the establishment of the Israeli state."

Hasan Nasib Qasim, who is a member of the Arab-Druze Initiative Committee, which is presided over by Shaykh Jamal Mu'addi, said that the Initiative Committee was established to fight the "military conscription law," which Israel imposed on the Palestinian Druze. He continued to say that by so doing, the Druze were declaring that they were an integral part of both the Arab Palestinian people and the Palestinian identity.

Qasim added: "We believe that there are no differences between sects, whether they be Muslims, Christians, or Druze. However, we basically consider ourselves Muslims, believing in one god. Besides, the Israeli land confiscation law has been even harsher on us than on our Arab brethren, and the Israeli authorities have also confiscated the lands of our prophets. For example, the Israeli government has confiscated 6,999 dumas of land, which has left us with only one duma from the 7,000 dumas Salah-al-Din al-Ayubi had set aside for a shrine in Hattin for the prophet Shu'ayb."

Hasan Nasib Qasim said that when Israel imposed conscription on the Druze youth, its aim was not to enlist them in its army, but rather to create a split in the relations between the Druze and the Muslims and Christians. He stated that the Palestinian Druze should aspire for the establishment of the Palestinian state and for carrying its citizenship.

Hasan Nasib Qasim also referred to the way the Palestinian Liberation Organization presently deals with the Israeli government; he described it as "rebuffing Israel's claims that the Arabs would like to corner Israel and 'throw it into the sea.'"

While the Palestinian Druze delegation was in the Tunisian capital, Yasir 'Arafat met with two members of the Palestinian negotiation delegation in Washington, Dr. Sa'ib 'Urayqat and Dr. Sami al-Kilani. They briefed him on details of their delegation's negotiations with the Israeli delegation during the first days of the ninth round of talks, which are still ongoing in Washington.

Twenty-four hours after their arrival in the Tunisian capital, 'Urayqat and al-Kilani returned to the American capital with 'Arafat's instructions to members of the Palestinian delegation.

AL-HAWADITH learned that there was still a big gap between the Palestinian and Israeli sides, due to Israel's resistance to demarcating the geographic borders of the Palestinian land which will be placed under the authority of the "Palestinian Transitional Authority." In addition, Israel insists that the number of members of the Palestinian Local Council, which will be elected by the citizens of the West Bank and the Gaza Strip, should not exceed thirty. Meanwhile, the Palestinians demand that the number of Council members should not be less than seventy.

Israel is also persistent in excluding Jerusalem from the framework of the electoral districts in the occupied Bank and Strip; it would allow residents of Jerusalem to be nominated in other Palestinian regions.

At the same time, the Israeli delegation is still evading the human rights issue in the occupied territories. The delegation also emphasizes that it is not within its authority to investigate the severe blockade presently imposed on the city of Jerusalem.

The United States of America, which promised to be a "full partner" in the peace negotiations starting from the ninth round, is still performing the role of an "advisory observer."

Faysal al-Husayni, Dr. Haydar Abd-al-Shafi and Dr. Hanan 'Ashrawi, all members of the Palestinian delegation, met with two top officials at the U.S. Department of State: Dan Kurtzer and Aaron Miller, both Jews. They demanded that Washington fulfill its obligation to "ensure the implementation of justice and fairness" during the negotiations.

An informed source reported to AL-HAWADITH that the leader of the Popular Front for the Liberation of Palestine, Dr. George Habash, sent a verbal message to 'Arafat in which he renewed his advice to him to withdraw from the current negotiations in Washington as they are futile and of no benefit.

The same source—who preferred not to be identified—said that Yasir 'Arafat is under similar pressures from

some of those closest to him, who have expressed pessimism regarding U.S. credibility.

The source quoted 'Arafat as saying: "I will hold on to hope until my patience is exhausted. After that, I will be the first one to declare the failure of the negotiations."

### Convict Jasim Interviewed, Case History Reviewed

#### Case History on 1973 Crimes

93WR0256A London AL-MAJALLAH in Arabic  
12 May 93 pp 37-40

[Article by Muhammad 'Ali Salih]

[Text] Twenty years ago, in March 1973, three attempts were made to blow up three Israeli targets in the United States.

The first was in front of a branch of an Israeli bank, Bank Discount (at the intersection of 5th and 43d Streets). The second was in front of a branch of the First Israeli Bank, and the third was in front of the office of Israel's El Al Airlines at Kennedy International Airport. All three attempts failed.

The U.S. Federal Bureau of Investigation [FBI], in cooperation with the U.S. Central Intelligence Agency [CIA] pursued the case and began to put it together piece by piece, until it was decided to arrest the [person who is currently the] inmate of cell no. I-967 and bring him to the United States. Who is the inmate of cell no. I-967? How did he fall into the snare of U.S. intelligence?

Whoever attempted the three operations mentioned above left information and slogans at the scene of these operations. He also left traces which U.S. intelligence followed for more than 17 years, until it was decided—perhaps for reasons unrelated to these attempts—to arrest Khalid al-Jasim, whose nom de guerre is Abu-Walid al-'Iraqi. The latter worked as an aide to Abu-Iyad [the nom de guerre of Salah Khalif, the late deputy leader of the PLO] for technical matters and external political relations for close to two decades. He is accused of being Khalid al-Jawari, who is accused of being responsible for the three operations. During its two-year investigation, the police uncovered the following:

1. A person named Yusuf Shahin (or Joseph Shahin) rented three cars from a car rental center.
2. Bombs composed of gasoline, a gas tube, and a pound of explosives connected by wires to a detonating battery were placed in each car.
3. An Arabic-language newspaper was placed on the inside of the windshield of each car.
4. A pamphlet in the name of the Society for Palestinian Rights was placed in each newspaper. The pamphlet attacks Israel and takes responsibility for the explosion.

5. Fingerprints taken from the cars, bombs, newspapers, and pamphlets all belong to the same person.

6. The three cars were parked illegally and ticketed by police. Tow trucks were called to tow them to a lot for cars whose owners are unknown.

The FBI did not find Yusuf Shahin. Sometime later, the FBI began to focus on an Arab named Khalid al-Jawari who entered the United States on 12 January 1973. Al-Jawari stayed at the Sheraton Hotel during that month and rented cars from the Hertz Company. His name appears on lists of students of a flight instruction school in New Jersey.

An American, Carol Miller, testified that she met Khalid al-Jawari as he was filling the tank of his car at a gas station in New Jersey, and that they were friends for a month or two. She said that he contacted her at 0130 on 5 March 1973, the day the three cars with the explosives were found. He said that he was at the Skyway Hotel near Kennedy Airport on his way back to his country. She was very surprised. He told her, "Unexpected circumstances have arisen." That was the last time she heard al-Jawari's voice and the last trace of Khalid al-Jawari found by U.S. investigators.

#### The Trap

On 10 January 1991, the Middle East was filled with major events. The crisis of the Iraqi invasion of Kuwait was peaking, and the entire world was occupied with the fierce Gulf war. Abu-Walid al-'Iraqi and his wife and five small children were returning from Amman Airport to Larnaca Airport after cutting short a visit to his family in Baghdad because of the war atmosphere.

This family had lived quietly and peacefully on the calm, pretty island of Cyprus since moving from Beirut in late 1982 following the Israeli invasion and the expulsion of PLO forces from the Lebanese capital. After moving to Cyprus, Abu-Walid al-'Iraqi continued to work in the Palestinian intelligence agency led by Abu-Iyad. He also continued to supervise that agency's technical department and to maintain his previous foreign contacts with intelligence agencies in several Arab countries.

Over a period of about ten years, Abu-Walid al-'Iraqi left the island only rarely and committed no security violations. He lived with members of his family in Nicosia on a diplomatic card, sending his two daughters and eldest son to an American school in a nice neighborhood of Nicosia.

Because he had served as a volunteer in the Palestinian revolution for such a long period (he joined FATAH in the late sixties during the Jordan period), and because

his children had grown and needed to return to their family and environment, Abu-Walid al-'Iraqi (he was born in 1947 and his real name is Khalid Muhammad Jasim) decided to return to Baghdad permanently.

It was decided that this family would move from its nice house near the Cypriot television building in south-eastern Nicosia to Baghdad permanently. The family provider, Abu-Walid al-'Iraqi (Khalid Muhammad Jasim), arranged matters related to his residence with his superiors in the Palestinian resistance and with Iraqi authorities. It was decided that the move would be made in the first week of August 1990.

Suddenly, when the family's furniture was all set to be shipped by sea and land from Cyprus to Baghdad, calamity struck and matters turned topsy turvy. Decisions and equations changed not only with respect to Abu-Walid al-'Iraqi (Khalid Muhammad Jasim), but also, and primarily, with respect to states and all political organizations and powers.

In view of the Iraqi forces' invasion of Kuwait on the morning of 2 August, Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) decided to delay his return to Baghdad and to wait until the storm abated and matters clarified. He retrieved his home furnishings and began to look for a new house, because it had been decided to hand over his residence to its owner. He also registered his children—the eldest being 11—in their former school.

Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) waited nervously with his family on the island of Cyprus. Like others, he became bored with waiting. He took advantage of the school recess to travel with his family to Baghdad to see and reassure his family there and to scout out the situation from up close.

He spent about two weeks with his family in Baghdad. He then went to Amman, and from there, on 10 January, to Cyprus. At the Larnaca Airport, the Cypriot authorities surprised him by asking him to leave the island immediately and return to where he had come from. He tried to determine the reasons for this measure. In the face of the airport authorities' insistence, Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) returned to Amman on an Algerian passport which, like others, he had obtained from the leaders and officials of the Palestinian revolution in order to move with greater freedom in Arab and European countries.

At this point, according to the accounts, Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) made a major mistake that gave the Cypriot authorities legal grounds to arrest and try him, which led him to wind up in cell no. I-967, accused of being Khalid Duhan [name as published] al-Jawari and responsible for attempts to blow up two Jewish banks and the office of Israel's El Al Airlines in New York in March 1973.

Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) made the mistake of returning to Larnaca Airport on a forged

Jordanian diplomatic passport instead of remaining in Amman or going to Baghdad or Tunisia, where the PLO is headquartered. He entered the island and returned to his home to resume his normal life. However, U.S. intelligence had apparently been following him like a shadow, monitoring his movements and actions. The intelligence agencies in Cyprus arrested him on 14 January 1991 and incarcerated him for 24 hours. He was given a quick trial. The trial resulted in a ruling that he be expelled from the country on the charge of having entered it on a forged passport.

It should be noted that Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) was deported from Cyprus on 14 January 1991, the same day on which Salah Khalaf (Abu-Iyad) was assassinated in Tunisia by a person accused of belonging to a Palestinian group. That person, whom a Palestinian revolutionary court reportedly sentenced to die, was executed, and his body was thrown into the sea along the Yemeni coast of the Red Sea.

It is widely believed here that the Cypriot authorities were subjected to enormous pressure to hand over Abu-Walid al-'Iraqi to the FBI for immediate transport from Nicosia to New York for trial as Khalid Duhan al-Jawari on the charge of attempting to blow up Israeli targets in 1973. However, the Cypriot authorities refused to hand him over and decided to immediately charge him with entering the country on a forged passport to avoid the discomfiture entailed by his deportation from the island.

#### Pursuits

This phase included some interesting pursuits, according to our information. Many intelligence agencies became involved, and agents and informants moved in numerous places. The FBI apparently attempted first to convince Greek authorities to lure Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) to the Athens Airport, arrest him there on some pretext, and transfer him to the United States. However, Greece did not wish to become involved in this case. It refused the request and resisted U.S. pressures.

After the FBI failed in its attempts with Cyprus and then Greece, it tried Italy. Because Italian circumstances are well known and characterized by "inflation" [inflash], and because bribes were paid, Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) was arrested in the Rome Airport transit lounge while en route [from Cyprus] to Tunisia.

The passengers of the plane bound for Tunisia were gathered in the transit lounge at Rome Airport. The plane's engines were on and ready to take off. Suddenly, a group of commandos equipped with small automatic machine guns entered and headed directly for Abu-Walid al-'Iraqi (Khalid Muhammad Jasim). He was standing in a corner of the lounge, immersed in his own preoccupations after learning of the assassination of his leader and colleague, Abu-Iyad, who had been martyred two hours earlier. They asked him to accompany them to



another place. They led him away forcefully when he attempted to refuse and protest.

On 16 January, Italian authorities orchestrated the arrest of this Palestinian-Iraqi official by moving to the Rome Holiday Inn all passengers scheduled to fly on the Tunisia-bound flight on which Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) was booked. They were all placed under tight guard, and telephone connections with their rooms were cut off.

At this time, the Italian authorities transmitted a message to Jordan asking whether Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) was actually a Jordanian diplomat as he claimed when he was arrested at Rome Airport, and whether his diplomatic passport was authentic. Amman responded quickly that no Jordanian diplomat or citizen with that name existed, and that the Jordanian passports department had no record of issuing a passport with that number.

At the same time, the FBI and Italian authorities were waiting for a response from New York. The fingerprints of Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) had been obtained when he was at Rome Airport for comparison with the fingerprints left behind by Khalid (Duhan al-Jawari) during the attempt to strike Israeli targets in the United States more than 17 years before.

On 18 January, after the fingerprint comparison results arrived in Rome, all passengers of the plane bound for Tunisia were released, except Abu-Walid al-'Iraqi (Khalid Muhammad Jasim). As of that day, his name became Khalid Duhan al-Jawari. He was moved to a solitary confinement cell in Rabibiya [name as published] Prison in a Rome suburb, where he was kept from 18 January 1991 to 12 April 1992.

#### Blanket Accusation

Perhaps to control and confuse him, scatter his mental powers, and prevent him from concentrating, the Italian authorities, or the FBI in effect, leveled a number of charges against Khalid Duhan al-Jawari when they interrogated him, including membership in the FATAH Revolutionary Council, led by Sabri al-Banna (Abu-Nidal), and membership in the notorious Black September organization, which is accused of carrying out the Munich operation in the early seventies. He was also accused of being the nephew of Iraqi President Saddam Husayn. Abu-Walid al-'Iraqi (Khalid Muhammad Jasim), who refuses to be called Khalid Duhan al-Jawari, was able to disprove all of these charges. He insisted that he is an Iraqi citizen who was compelled by his sensitivity to the oppression afflicting the Palestinian people to join the Palestinian resistance. He further insisted that, when he was with FATAH, he was not active in foreign operations or armed action and worked solely in the diplomatic, technical, and foreign relations field.

The story of Abu-Walid al-'Iraqi (Khalid Muhammad Jasim), or Khalid Duhan al-Jawari as U.S. intelligence insisted on calling him, was overshadowed by the

world's preoccupation with the second Gulf war and the Palestinian resistance's entry into the tumult of the Mideast peace process as soon as it caught its breath after the war. His story thus unfolded without attracting media attention.

#### To New York

When Khalid Duhan al-Jawari was in Rabibiya Prison in Rome, Israeli intelligence attempted to reach him to extract some confessions from him to use to condemn Palestinian resistance leaders accused of terrorism. Difficult bargaining ensued. He was tempted and intimidated. He continued to maintain that his work in the movement was limited mostly to diplomatic areas.

Khalid Duhan al-Jawari tried every means to bring his case to the media's attention. He fasted while at Rabibiya Prison for 37 days. He met numerous times with Deputy Italian Justice Minister Judge Giovanni Falconi. However, all of his attempts failed. The Italian authorities yielded to U.S. pressure and agreed to transfer him to the United States, so that he—and the Palestinian resistance through him—could be tried there on the charge of terrorism.

On 12 April 1992, a U.S. military aircraft arrived from a base in West Germany and transported Khalid Duhan al-Jawari—who continued to insist that he was Khalid Muhammad Jasim and that he neither knew nor had ever heard of al-Jawari—to a prison in New York. Since then, his address has been Cell No. I-967, New York 31628054-150, Park Row NCC, N.Y. 10007. Among the oddities of this case is that the U.S. Defense Department sent the FBI invoices totalling \$171,000, the fee for the use of military aircraft that transported Khalid Duhan al-Jawari from Italy to where he now resides.

#### A New Phase

A new phase began at the New York prison. FBI investigators began to focus on persuading Abu-Walid al-'Iraqi to acknowledge that he is Khalid Duhan al-Jawari, and that he came to America in 1973 to attack the Israeli targets mentioned above based on the personal orders of Palestinian President Yasir 'Arafat.

Once again, there was exhaustive bargaining. The investigators told the prisoner that if he acknowledged being Khalid Duhan al-Jawari, he would be given the right to political asylum in the United States, his family would be granted the right to reside in America, and he and his family would be given a decent livelihood.

When Abu-Walid al-'Iraqi upheld his previous statements, the federal prosecutor threatened him with 30 years imprisonment and the expulsion of his family from the country where it was residing. The prosecutor pressed him again, saying he only wanted him to confess that he is Khalid Duhan al-Jawari, the person charged with attempting to attack the three Israeli targets in 1973, and that he had been tasked by 'Arafat personally.

The federal investigator made another attempt to forcibly extract a confession in response to statements made by the Palestinian resistance to the effect that Abu-Walid al-'Iraqi (Khalid Muhammad Jasim) had terminated his relationship with the resistance in 1980 and did not work for the resistance in 1973 when the attempt to hit the Israeli targets occurred. The investigator said that he had proof—fingerprints, recordings, and salary records—of the involvement of 'Arafat and another person named Fu'ad al-Shubaki in this operation. The federal investigator also said, among other things, that he had proof that Khalid Duhan al-Jawari, the person accused of attempting to blow up the Israeli targets, came to the United States in 1973 on a travel ticket issued in an Arab capital by an office proven to have relations with FATAH, and that immediately after arriving in America, he held contacts with a senior Palestinian official believed to be the chairman of the PLO's executive council. However, is Khalid Jasim Khalid al-Jawari? The FBI officer who has been following the subject for more than three years, told the New York court, "This man, who is sitting in the defendant's chair maintains that his name is Khalid al-Jasim. However, we have evidence showing that his name is also Khalid al-Jawari and Yusuf Shahin." He said, "Regardless of the multiplicity of names, and regardless of his true name, we are certain that he is the one who placed the explosives in the three cars in 1973, because his fingerprints match those we found on those cars, in the hotels where he stayed, on the bills of the restaurants where he ate, and on the explosives that he assembled."

Last Ramadan, Khalid Jasim was tried. The trial went very quickly. In less than a week, he was found guilty of placing explosives in the three cars 20 years ago.

He was subsequently sentenced to 30 years in prison. The Jewish judge, Jack Weinstein said, "We want you to serve as an example for every terrorist who wants to spread fear and destruction in America."

Clearly, the trial was arranged quickly to coincide with the excitement caused by the explosion at the World Trade Center in New York and the wave of anger and hatred toward Muslims and Arabs.

#### Jasim on PLO and Prison Life

93WR0256B London AL-MAJALLAH in Arabic  
12 May 93 pp 42-44

[Interview with Khalid Muhammad al-Jasim in New York; date not given]

[Text] AL-MAJALLAH interviewed Khalid al-Jasim in the visitors hall of a federal prison in New York. He looked pale and unshaven. What follows are the details of our one-hour conversation with him:

[Al-Majallah] Are you Khalid al-Jasim or Khalid al-Jawari?

[Khalid al-Jasim] I am Khalid Muhammad al-Jasim. I was born in 1947 in Galilee in Palestine. When Israel was established, my family migrated to southern Lebanon. When I became an adult, I joined FATAH and was transferred to a number of capitals, including Baghdad, Amman, and Beirut. I then settled in Cyprus, where I was a diplomat in the Palestinian embassy until they kidnapped me.

[Al-Majallah] Where is Khalid al-Jawari?

[Khalid al-Jasim] I know nothing about him. I heard that a person by this name worked in the Palestinian resistance, that he was seen in 1986 and 1987, that he died in 1988, and that his grave is somewhere, marked with a stone with his name on it. If the court of appeals receives information confirming this, it will be the key to my release.

[Al-Majallah] Why have they said that your fingerprints match his fingerprints?

[Khalid al-Jasim] First, the fingerprints of two persons cannot match. The fingerprints they have from 20 years ago might be those of al-Jawari or any other person. But they are not my fingerprints. They took my fingerprints in Rome after my arrest. The FBI mixed up the fingerprints to convince the court. However, an Italian fingerprint expert, Professor Greco [name as published], testified to the court in Italy that the fingerprints in the al-Jawari case were not suitable for comparison. When he requested original fingerprints from the Americans, the Americans refused the request.

[Al-Majallah] How did they know you were to be on the plane headed from Cyprus to Tunisia [via Rome]?

[Khalid al-Jasim] As a PLO official, I am well aware that Israeli intelligence monitors me. It is also likely that the CIA monitored me because of the invasion of Kuwait and the Gulf war. I know a security officer in Cyprus named Andreas who works with the secret police. He provides us with security facilities. However, I believe that he was also working with Israeli intelligence. He was at Nicosia Airport when I traveled.

#### Israeli Intelligence

[Al-Majallah] How did you know that several of those following you were from Israeli intelligence?

[Khalid al-Jasim] One of them was speaking Hebrew, and I noted that he was with me in the plane from Cyprus. He did not leave me for one moment, as if I were his brother. I do not know his name, and I refused to speak with him.

[Al-Majallah] How do you know of the presence of CIA agents?

[Khalid al-Jasim] Two of them followed me at Rome Airport. After more than a year, when they moved me from Italy to America, the same two men appeared in the U.S. military aircraft. One of them read me the official

indictment in the case of the U.S. Government versus me. Also, an FBI officer told me that they are with the CIA. He said, the FBI is inside and the CIA is outside the United States.

[Al-Majallah] Why were the Italians negligent in protecting you as the bearer of a diplomatic passport?

[Khalid al-Jasim] The Americans exerted pressure on them, which was particularly strong because of their membership in the Western alliance against Iraq and the fact that the war had already begun. Do not forget that Italy is filled with corrupt politicians and security personnel. The deputy Italian foreign minister knows me as an aide to Abu-Iyad. Do you remember the "Palestinian card" to convince Iraq to withdraw from Kuwait before it was attacked? I was part of those contacts. I went to Iraq, and the Iraqis said, "There is nothing in the way of a withdrawal, provided that U.S. forces withdraw from the area."

However, Abu-Iyad was assassinated before a final agreement was reached, which impeded Palestinian efforts. In any case, Italy's foreign minister was following the subject and knew me for this reason. He ordered my release. However, my case got lost in the tumult of the Gulf war and the corruption of the system.

[Al-Majallah] Why did you travel to Tunisia via Athens and Rome?

[Khalid al-Jasim] My ticket was purchased by the office of Fu'ad al-Shubaki. He gave it to Maladh [name as published] 'Abduh (the representative in Cyprus of Force Seventeen). Maladh 'Abduh gave it to me. That is his job. He is in charge of security.

[Al-Majallah] Did you appeal for help to the PLO office in Tunis?

[Khalid al-Jasim] I contacted Tunis from the Rome Airport when I sensed that the secret police were following me. I requested the general commander's office, and I spoke with 'Arafat's advisor on security, Abu-Ayman. I told him that an attempt was being made to assassinate or kidnap me. I contacted the PLO ambassador in Rome, Nimr Hammad. However, I knew that he had told the Italian Government, "'Arafat does not know this man." When I was brought before the Italian court, I told my lawyer, "Seek the assistance of Ambassador Hammad." My lawyer responded, "I know that the ambassador said that the PLO said that they do not know you."

#### Help From the PLO

[Al-Majallah] Why does the PLO not help you? Why this inconsistency?

[Khalid al-Jasim] You should know that there are nine Palestinian leaderships in Tunis, one of which matters to Yasir 'Arafat. You should also be aware of the background of relations between 'Arafat and Abu-Iyad. Abu-Iyad and Abu-Jihad [the nom de guerre of Khalil al-Wazir] entered fedayeen activity before 'Arafat, and I belong to Abu-Iyad's group.

[Al-Majallah] Are you saying the 'Arafat was remiss in defending you?

[Khalid al-Jasim] 'Arafat did not neglect me. He believed that the problem was minor, and that I would be released. However, after the Italian court's decision to extradite me to America, 'Arafat sent his advisor, Bassam Abu-Sharif, to Italian Prime Minister Andreotti. And an arbiter of my claims met with Italy's foreign minister. My problem is not with 'Arafat, but with the chaos that surrounds him in Tunis. This is no secret. Before Abu-Iyad's assassination, we told 'Arafat, "You have a bad group around you, including collaborators with the American Intelligence Agency and with the Mosad."

[Al-Majallah] However, why did the PLO not defend you after you were moved to America and tried?

[Khalid al-Jasim] Briefly, 'Arafat knows America, and America knows 'Arafat. America, I mean the FBI, knows everything about the PLO. They have had PLO salary and expense lists since Beirut and 1973. They have also had considerable information on 'Arafat since 1973, when they gave him a visa to attend UN sessions. We all know that America inclines more toward Israel than the Arabs. However, I would go even further to assert that all U.S. terrorist tracking operations serve Israeli goals. Therefore, I do not know how anyone, especially 'Arafat, could trust the U.S. Government. Did you know that the FBI was in the process of placing 'Arafat's name on a list of persons wanted for terrorism? The matter was postponed indefinitely for political reasons.

[Al-Majallah] How do you know this?

[Khalid al-Jasim] True, I am in a large prison in New York, and my hands are shackled. However, I worked with FATAH intelligence for more than 20 years. The time has not come to disclose all secrets. Some day I will leave here and say many things. In any case, I know that Faruq Qaddumi (Abu-al-Lutf) is also on the FBI's list. When he was here in New York to attend UN sessions, they took his fingerprints from his hotel room and sought the State Department's permission to arrest him. But the State Department objected on political grounds. Do not forget that FBI investigators are competent specialists. It is their job to collect evidence against anyone who comes under suspicion, including even cabinet members or the president. Their job is to investigate and collect evidence.

### 'Arafat and His Circle

[Al-Majallah] Have they asked you about 'Arafat? Is he concerned about being arrested?

[Khalid al-Jasim] The Americans asked me about 'Arafat's "terrorist" activities and his role in Black September in Jordan. I told them: 'Arafat has never been a terrorist. They asked me about 'Arafat's relations with Saddam Husayn, especially at the beginning of the Gulf war. They were aware of my contacts with the Iraqis after the invasion of Kuwait. They told me, "If 'Arafat were with you, we would have arrested him. This is a war against Saddam, 'Arafat, and all terrorists." They asked me about Qaddumi. They said, "If you say that Qaddumi gave permission to Khalid al-Jawari in 1973 to detonate the cars in New York, we will release you." But I refused. The FBI wants to be the policeman of the world. Even the U.S. Supreme Court gave it the right to pursue suspects in any state in the world. However, I refused all of their enticements to persuade me to provide them with information on the PLO. I could be free today. They would have given me residence, citizenship, and protection. But I refused.

[Al-Majallah] You read the newspapers and watch television. You must be following the arrests in connection with the explosion at the World Trade Center here in New York and the arrests of Palestinians and American-Palestinians in St. Louis. Are these a coincidence or planned?

[Khalid al-Jasim] I repeat what I said: Brother Arabs, do not underestimate the power of this FBI. It has information on everyone. Were it not for political considerations, we would see remarkable things. Who brought Panamanian President Noriega to America to try him? Do not be surprised if this happens to Arab officials at an expedient time. The FBI has cases and documents which are ready. Some of them go back more than 30 years. The arrests in New York and St. Louis, my arrest, and whomever is arrested next, are preplanned.

[Al-Majallah] When you were tried here in New York, the FBI said that your fingerprints matched those of the person who placed the bombs in three cars here in New York in 1973. How can that be?

[Khalid al-Jasim] Nothing is impossible for the FBI and the CIA. Since the first confrontation, at Rome Airport, I felt that they wanted my fingerprints. They arrested me and then determined that I am not Khalid al-Jawari. It would have been a debacle for U.S. investigators had they released me. They said that I had been arrested mistakenly—also that the Israeli Mosad wanted to get rid of me by any means. Very simply, they forged my fingerprints during the first three days of my incarceration in Rome. They sent my fingerprints to America and

counterfeited them. They returned to the Italian court and said: These are fingerprints from 1973.

### Convincing the Court

[Al-Majallah] The court here in New York was not convinced and sentenced you to 30 years in prison. Why?

[Khalid al-Jasim] Because the judge is Jewish and does not want the FBI to lose a "terrorism" case at a time when all of America fears "terrorism." The investigators failed to prove that I am al-Jawari. They presented no witness to confirm that I am al-Jawari. His picture does not resemble me—(his ears are bigger, his jaw is wider, he has no mole on his cheek, his eyebrows are almost straight, his face is triangular, and my face is oval-shaped). The U.S. investigators used a computer to transform al-Jawari's photograph, which they have had since 1973, into what he would look like 20 years later. How can this photograph be used as evidence against me?

[Al-Majallah] Was your lawyer remiss in defending you?

[Khalid al-Jasim] The lawyer is well established and enthusiastic. However, he is occupied with other cases. Also, we are not paying him a fee. The court is paying him \$60 per trial hour. If someone else hires him and pays him \$600 per hour, financial resources come into play as an important factor. The PLO refused to hire a lawyer to defend me. Of course, this is not strange, because the PLO told the Americans that it is unaware of my previous activities. Recently, the PLO stopped paying my salary to my family in Cyprus.

[Al-Majallah] How are they treating you here in prison?

[Khalid al-Jasim] Very badly. They restrain me in handcuffs 24 hours a day. They removed them when they brought me to meet you, because you are a journalist. I changed these clothes before my meeting with you as well. The other clothes are orange and despicable. They throw food to me in the cell like an animal. My cell is two meters long and 1.5 meters wide. Do not forget the jailers' treatment of us because we are Arabs and Muslims. Because of the New York explosions, they believe that we are all terrorists. The detainees in the World Trade Center explosion receive this treatment.

[Al-Majallah] Are they here?

[Khalid al-Jasim] Yes, I know that Muhammad Salamah is here.

[Al-Majallah] How do you know?

[Khalid al-Jasim] A cleaning worker in the prison told me. He delivers newspapers to us, from one cell to another. (A prison official later confirmed to AL-MAJALLAH the presence of several Trade Center detainees, but she refused to specify their names.)

## ALGERIA

**Israeli Role in Supplying Arms Discussed***93AF0607C Algiers LIBERTE in French 10 May 93 p 4*

[Article by R.N.: "Israel's Mossad Is Paying for the Uzis"]

[Text] The connection between Algerian terrorists and Israeli intelligence has been clearly established by a well-informed source in Algiers who is quoted by the APS.

The suspicions first raised in February when Uzi and Scorpio submachine guns were seized from terrorists have now been confirmed.

In April, the press was shown a large cache of weapons (14 in all) that had originated in Israel.

At the same time, the president of France was warned in an expert report that the Islamist leaders based in France were using urban guerrilla weapons—the Uzi. The report implicated Iran in these operations. We have recently learned that Iran's secret agency, Savama (the inheritor of the equally notorious Savak), is not the only supplier to these networks. Israel's Mossad also plays an active role in shipping arms to Algeria and other targeted countries.

The Israeli agency works through the powerful B'nai B'rith organization, which pays the expenses of terrorists staying in Germany. This enables Israeli agents to interrogate the Algerian "refugees" in these "camps" that are financed by Tel Aviv. It is this "exchange of friendly services" between Israel and Germany that allows the Germans to postpone internment of the Algerians in the camps of the former East Germany where antiforeigner violence is at an alarming level.

In reality, the interrogations resemble offers of services, more than a form of repression. The "generosity" of B'nai B'rith also includes financing the stays and transit expenses of Algerian Islamists.

Through its branches in Marseilles, Oujda, and Alicante, the Israeli agency pays for and organizes their travel from one country to another and their expenses. B'nai B'rith does not waste its money on useless expenditures.

In North America where B'nai B'rith is well-established and influential, it makes no secret of its assistance to "the envoys of the FIS [Islamic Salvation Front]." Anouar Haddam, the former spokesman for the FIS in France who now lives in the United States, is directly chaperoned [as published] by the Jewish Anti-Defamation League, which is actually the paramilitary wing of B'nai B'rith. The League was recently led by the Zionist Meir Kahane.

Anouar Haddam is personally followed by Erik Goldstein who is active in a supposed human rights organization, Meadle Case Walch [as published]. It goes without saying that this organization, which has never denounced Zionist crimes, was created with the purpose

of cultivating Arab "refusniks"—in other words, stateless individuals who would be used to destabilize their countries of origin. And that is the goal of the Israeli weapons dealing.

These easy-to-use and formidably effective weapons are used by international terrorist networks, the mafia, and by makers of illegal drugs. According to the same source, the idea of bringing in this urban-guerrilla type of weapon "did not come from the terrorist networks inside Algeria, but from external forces" who are seeking to reactivate these networks following the failed attempt to form a resistance in the brushland. The Israelis and their local accomplices did not know that the brushland had served such noble causes in the past that the brushland cannot shelter their hatred. [sentence as published]

**Future Role in Euro-Maghreb Relations***93AF0622D Algiers ALGERIE ACTUALITE in French 18-24 May 93 pp 4, 5*

[Article by Malika Abdelaziz, on special assignment in Paris and Brussels: "Focus on Algeria"]

[Text] The date is 15 January 1992. The European Parliament in Strasbourg, in its joint resolution on the implementation of financial protocols between the EEC and the Maghreb, asks the EC in Brussels "not to begin implementing the fourth protocol with Algeria as long as the political state of affairs there has not settled." The date is now 26 April 1993. In Brussels the decision has been made to earmark a portion of that money for low-income housing in Algeria, and the EC specialists finalize a second agricultural cooperation project. Thus, the fourth protocol becomes fact. In Brussels, rue de la Science, in one of those nondescript functional buildings in the capital of the EC, someone is insisting that this constitutes proof of the "Community's willingness to help Algeria, to aid Algeria" and on the importance that "this be understood." Does that mean that the political situation in Algeria is now believed to be "settled"? The Commission, "it is answered, "is not able to judge such matters." The Commission is the administrative body of the EC, the body that proposes programs to the Council of Member States and then applies the Council's decisions. Therefore, it is the member states that have revised their thinking in favor of Algeria: Spain, which claims the initiative; Italy and France, which also claim the initiative. France's claim is believed given the fact that in all matters that concern Algeria, France is most likely to be heard, despite the observation made in Brussels of "the existence of a Mediterranean sensibility based on neighborly relations. However, the approach taken here, as in any other European matter, is to try to bring the interests of the twelve members together."

In reality, their thoughts are elsewhere, on the trouble over Maastricht and the implosion of Eastern Europe, which is greatly feared since the crisis in Yugoslavia. The Latin countries of Europe—with France as the primary trade and financial counterpart of the Maghreb—believe

that they are waging a difficult battle to prevent Europe "from abandoning its southern flank." Officially, the EC's political discussions rarely move beyond the problem. Nonetheless, once the official dossier is closed, there is free and easy talk of the factors that justify the officially confirmed "optimism" regarding Algeria.

But the words are hesitant and the sentences often sound "interronegative." Will the political dialogue in Algiers "bear fruit or not?" There is a determination to convince oneself that it will or, at least, to point out a "true willingness on the part of the Algerian Government to talk with the political forces, to make progress toward a more democratic state of affairs, toward a freer market." It is also remarked that "there exists a willingness to re-establish a climate of peace and to move forward." And importance is attached to "things of symbolic importance to Europe: three women in the Cabinet, a greater role for women and for civil society." But there is a recurrent, omnipresent concern: "We are aware of the enormous difficulty of making political changes work in the current context. We know that things must always be viewed in context. Why haven't the Algerians explained their situation more fully? Why have they not responded to Amnesty International concerning charges of human rights violations and the practice of torture? How can one understand the failure of the Algiers tribunal to call in medical experts following the attack on the airport?" Among other reactions, these Europeans—knowledgeable of the situation in Algeria as a result of their jobs, which take many of them to Algeria on official missions—make one think about the way in which Algeria communicates with the outside world.

The fourth protocol runs from 1992 to 1996. It provides for 350 million ECUs [European currency units] (1 ECU = 1.2 dollars) in credits. Of that amount, 280 million are loans by the European Investment Bank [EIB] and 70 million are grants. In addition, there are 55 million ECUs in support of structural adjustment. This last package was awarded by Brussels with 15 million ECUs added from the fourth protocol. The approval of these 70 million ECUs is considered "important," partly because it is earmarked for low-income housing (the lack of which is considered a major cause of the social malaise) and partly because of the obstacles that were overcome to approve the funds: "According to the financial protocol, the funds were tied to certain conditions for change in the macro-economic framework. We felt that the sector involved, which is housing, were worthy. By being flexible in our interpretation of the conditions for disbursing the housing loan, we have acted with sensitivity."

#### Uneasiness Towards the IMF

There is uneasiness, however, when it is asked what will happen to the second loan installment of 400 million ECUs, which has been frozen since Algeria's agreement with the IMF was broken off. Indirectly, Paris is evading the question somewhat by raising the problem of the "outstanding balances on EEC protocols that have been approved but not yet used." It is pointed out that as a

general rule, "not one of the four protocols is more than 50 percent completed. Some are only 20 percent completed. That is a very low level compared with the other countries involved in Europe's 'new Mediterranean policy.'" A tally shows that more than 1 billion French francs remain to be approved because of Algeria's "incapacity to launch and manage projects." When it comes time to address the disbursement of the second installment (150 million ECUs), the terms used make it impossible to escape an agreement with the IMF. At the same time, French officials claim to be willing to adjust those terms: "We ask that the IMF be more flexible and consider the unique characteristics of the Algerian economy. But it is also our position that Algeria must be more flexible with the IMF, because Algeria's financial problems cannot be solved without an agreement with the IMF in order to obtain access to multilateral credits and to commercial banks. The Algerians are concerned about devaluing the dinar, whereas the IMF is in favor of true exchange rates. These are very technical discussions. We have told our Algerian counterparts that we are ready to plead Algeria's case before the IMF, but the IMF has its regulations, its requirements, and its economic policy. In addition, there are countries within the EEC that are less sensitive than France to the unique characteristics of the Algerian economy."

What is heard in Brussels, however, is not an exact version of the French presentation of things. Brussels does say that, in EC relations, "problems such as the second installment—whether it is disbursed or not—should not be accentuated at present. We have demonstrated our ability to surmount certain problems and our willingness to continue to work in that direction. As far as our dialogue and our relations with Algeria are concerned, things are going very well." And, while no one denies the existence of outstanding balances from the European protocols, they are attributed to matters of "procedure." "The administrative mechanisms in Algeria are somewhat slow and there is some sluggishness on the Commission's part as well. But it is important to bear in mind that at present, both sides are working hard to speed up the execution of the protocols." Moreover, the unused portion of the funds is said to be "about 16 million ECUs between the first and second protocols. The credits in the third protocol have already been allocated and made available." On the subject of the special balance-of-payments loan, a reminder is issued: "The 400 million ECUs and the disbursement of the second installment of the loan are linked to macro-economic conditions. At the time, Algeria had a specific macro-economic policy and the loan agreement was reached on the basis of these conditions. Then the authorities decided to pursue a different economic policy and slow down the pace of reforms. We are trying to be sensitive to their positions, but according to the terms of the loan agreement, an analysis must be made of the economic situation and of the state of reforms before deciding whether or not to disburse the 150 million ECUs of the second installment."

Brussels would make it seem that the funds are not conditional on an agreement with the IMF: "When the loan was granted, Algeria had an agreement with the IMF. We thought that it was better not to introduce new conditions and simply to accept what already existed and what was accepted by Algeria in its relations with the IMF. But that does not mean that the EC is making its decisions dependent upon the IMF." At that point, it is affirmed that the Commission can "make its own analysis of the Algerian situation and inform the Council (meaning the member states)—independently of the IMF."

The matter is still being worked out: "We are dealing with technical questions and we will see what happens." Moreover, aside from the issue of the loan, the view expressed of Algeria, its potential, and prospects for cooperation is "optimistic." But what do the words mean? What are they saying, as they seem to realize the contractions between the EC, the Quai d'Orsay [French foreign ministry], and the IMF?

The EC, Brussels points out, "has no formal subordination to another institution." In other words, the IMF. But it is expressing the same sort of expectations of Algeria: "It must also be remembered that Algeria has demonstrated a will to move forward. This was evident in Mr. Benbitour's recent press conference. Mention was made of the decision by the Algerian authorities to move quickly in setting up a parallel exchange market and in opening up certain public sector enterprises to private investment both domestic and foreign. These are encouraging things and we are very sensitive to them. We are waiting to see them in practice." The nature of the credits sheds greater light on the EEC's handling of things. The credits are to be used to import building materials and farm inputs. In short, while they will give a slight boost to Algeria's import capacity at interesting rates of interest, both the nature of these credits and the amount involved fall short of Europe's talk of the urgency of ensuring renewed economic growth in the Maghreb to close the gaps in the levels of development that exist between the northern and southern Mediterranean basin. Brussels defends itself by saying that "It is almost impossible to isolate that thought process from the framework we currently live in the world over, meaning North-South relations. And all of this is happening in a context of worldwide interdependence, which is very complex. That thought process is taking place at a general level. How can do you deal simultaneously with the unemployment problem, trade and industrial policy in one region and the effects produced in another region? These are the questions that everyone is asking, and to which no one has the answers. The debate will continue with increased intensity. Certain strategies and policies will become clear. It is impossible to live in a world that is partly developed while the rest are not keeping up. This creates tensions at all levels: politics, migration...." The Commission denies that it is contemplating for Europe an idea now circulating within France's new governing party, that restrictions on immigration must be included as a condition in programs with

the Maghreb. "Controlling migratory flows—yes; shutting down the borders—no. We are going to continue to treat the migration question from the perspective of cooperation towards development. The Commission is trying to convince the member states to support the development of these countries so that people will remain in their home countries."

#### Morocco Versus the Maghreb?

The European summit in Lisbon approved the policy of a "Euro-Maghreb Partnership" that, as of 1996, will replace the "New Mediterranean Policy," which is the framework for the protocols of cooperation with the Maghreb. The "partnership" represents "new formulas for cooperation in all areas—political, economic, and social." It will be a "partnership, meaning consultation with the states. We shall see what their needs are and then negotiate as equal partners." But Europe has definite views about the partners' respective roles: "a stronger and more convincing commitment from the Community to economic stimulation in the Maghreb, and a commitment from the Maghreb to pursue reforms and take concrete steps toward integration." Brussels confirms that Algeria has not yet entered into discussions toward negotiations on this general outline. The Community's member states, incidentally, are going through successive clashes and compromises as they proceed with the idea. The French, for example, have raised the following question: "What does Algeria see as the content of the Lisbon declaration? Morocco was the first to speak up in favor of a program of partnership and free trade. Europe is ready to do the same with Algeria." In Paris, the partnership is said to be "synonymous with 'a healthy distance.' That is a psychoanalytical notion but it is also a question of perspective. It would be dangerous for the Maghreb to be drawn into an association with Europe that would eventually cause the Maghreb to lose its identity. It is just as dangerous for the Maghreb to shy away from necessary economic cooperation with Europe." The notion of "a healthy distance" is clarified a bit by the considerations expressed with regard to Morocco: "Experiments have been attempted with the Moroccans. It is not easy because, as the Maghreb becomes more developed, its products come into conflict with European products. And, of course, the countries of the Maghreb all have serious balance-of-payments and debt problems. But the problem of competition and arbitration does come up, particularly within the Maghreb. Morocco, for example, places more importance on cash crops and exports crops than on self-sufficiency farming, in order to bring in foreign exchange. The various conflicts with European farmers are a result of this. Increasingly the same thing is happening in industry. But it must be understood that in this area, it is in the interests of Europe and the Maghreb to join forces against the growing competition from southeast Asia." An alliance on that basis would confirm the Maghreb in a peripheral role, not the "partner" status that Europe is talking about. Some of our interlocutors expressed their impatience in more precise terms: in particular, the Barrists, who are concerned about the "cost of an absent Maghreb" and who closely espouse the logic of expanding "the market." The markets of the Maghreb, segmented by the national borders

of the five members of the Arab-Maghreb Union (UMA), are too small to retain major foreign investments. "The UMA's problem is the existence of differentiated economic systems. For that reason, the necessary investments are not materializing within the Maghreb itself. Algeria is an important country, a central element for the Maghreb and the western Mediterranean. But the Moroccans hope that Algeria will evolve, because in part their development depends on Algeria." There is surprise in Brussels, however, when it is asked why the Commission would be interested in associating Algeria in the European undertaking, if a free-trade agreement with Morocco were to be signed in the near future. "The reason is clear! The Community's desire is not to favor one country over another. In fact, the Community is open to any initiative by Algeria. We are not saying to Algeria, 'One moment, Morocco is first.' It is the logic of things that leads us to impose a waiting period on everyone. It is necessary in order to allow for improvement in the general climate, which will enable Algeria to become part of this Euro-Maghreb dynamic. Our overall philosophy is to include all the UMA countries in that dynamic."

In Brussels, they call themselves "realists." In other words, while allowing for "what might be termed a digression" in Algeria, they believe that "certain economic measures and even the political situation in Algeria are such that it is difficult to work concretely toward Algeria's incorporation into the Euro-Maghreb framework." Even if they do not doubt Algeria's interest in this "dynamic in the direction of the Maghreb," they use the term "impression" when speaking of Algeria's "intention" to take part. That is no doubt due to the fact that—even if there is little conviction in it given the worldwide interactions of force and the legacy of errors in Algeria's own experiment with development—there is a feeling that the developmentalist reflex is returning after 10 years of "priority to the supply side" and that it is returning with the aid to development with which the IMF has begun to rule the world. It is a logic that reveals the relativity of the contradictions noted here between the EC, the Quai d'Orsay, and the IMF, without depriving them of their usefulness to our countries in taking advantage of rivalries among the Western countries.

[Box, p 4]

#### Money

The "financial protocols" provide for 5-year credits. They consist of:

- funds borrowed against the resources of the EIB; i.e., funds raised by the EIB on the capital market;
- a contribution toward risk capital, granted and managed by the EIB under orders from the EEC; and
- an outright grant awarded by the EEC through the Commission in Brussels.

The EEC continues to evade the question raised by Italy and Spain of creating an investment bank that would

play a role in the Maghreb similar to the role of the European Bank of Reconstruction and Development in eastern Europe.

[Box, p 5]

#### The Structure of Europe

At the top of the pyramid, there is the Council of Member States, which has decisionmaking authority within the Community's areas of jurisdiction.

The EC, providing technical expertise, introduces proposals of programs and actions to the Council. It carries out the decisions of the Council.

The European Parliament (located in Strasbourg) has an advisory role. It can "hamper" the Council but it does not have a true veto or decisionmaking power, except with regard to the Community's budget.

[Box, p 5]

#### Protectionism

The agreements with the EEC generally offer trade advantages allowing the beneficiaries' products access to European markets. In reality, the EEC and its member states are development protectionist policies—and they are often indirect—through the standards that these products must meet. In textiles more than in any other area, under various "multifiber" agreements the EEC has broken the commitments it made early in its "new Mediterranean policy." As a result, although Morocco's export-oriented garment industry imports 90 percent of the fabric it uses, it is experiencing serious difficulties in marketing its products.

As of the end of 1992, Morocco's trade figures showed a 9-percent decline in exports in relation to the previous year (while imports totaled 62.7 billion dirhams). The EEC purchases 60 percent of Morocco's exports (all products combined) and is the source of 50 percent of Morocco's imports. Morocco's imports are on the rise. In 1992, they totaled 62.7 billion dirhams, an increase of more than 5 percent in relation to 1991.

#### Outward Signs of Belief Disappear

93AF0644A Algiers HEBDO LIBERE in French  
5-11 May 93 p 18

[Article by Samy Abtroun: "Social Change: Beards Go, Legs Return"]

[Text] *There was a time when Islamic fundamentalism had the run of the place: there were long beards and ankle-length clothing. The passerby looked curiously at these women who were "all dressed in black," with their faces covered and their hands in gloves and at the "seven-league" beards that grew like plants, and they really made him smile. At that time he called them his Muslim brother or sister. It should be said that he scarcely worried—their*



*numbers were small. And then, truth to tell, who could have imagined such an outcome in Algerian history!*

*So who could have predicted...?*

Today, since Islamic fundamentalism and terrorism have entered our vocabulary, surrounded by the terror with which we are acquainted, our society is in the process of experiencing two major progressive changes yet ones that are highly important. Not only do these changes reflect the unease and the anxiety of the citizens of 1993, they also reflect their wishes and aspirations.

### Fewer Beards

The first change, which has occurred (and which is still occurring) for purely political reasons, is an almost complete shaving of beards. Beyond the rumors, true or false, which say that police vans are picking up men with beards to shave them or urge them to do so, it is obvious that many concerned citizens, on their own, have taken the initiative. This decision, the extent of which is beginning to be evident, reveals a feeling not of disavowal or denial but rather of resentment and fatigue. Whether they are or are not in sympathy with the former Islamic Salvation Front [FIS], these people say they are tired of dangers and hatred. They are taxi drivers, civil servants, or unemployed men and they of course go to the mosque. They are observant but what does that matter: they shave to feel comfortable! Not really guessing from whence come the blows they might receive (people claiming to be police officers or people claiming to be laymen?), they choose to be gentlemen-about-town, anonymous men who can easily get through obstacles, Algerian men who (at last) will not be eyed from head to toe.

### Taboos in the Closets

This new clean or "disenchanted" figure (some say they can no longer recognize him!) reminds us nostalgically of a calmer and less debt-ridden Algeria. [It reminds us of] a time when women did not have that devil's look that the stupidest [among us] were finally made to accept, a time when prayer was still a personal matter, a time when the Koran did not have to be brandished in a soccer stadium! Today taboos are gradually being put into closets. In [city] neighborhoods, men are shaving one after the other, one trying to save his moustache, the other his goatee. Those who wield the razor ahead of others try to convince the most persistent by asking them to be sensible. They are judicious...and confident!

They seem to be saying: "We've lost a battle but the war isn't over"! Initially this faith, which many young men had in an Islamic state, could be explained by a very paradoxical concern for justice and equity. Given their extreme poverty, they dreamed of a job, a roof [over their heads], and something to eat. They were rising up as real scapegoats. None of them were thinking of violence; none even knew how to wield it. Above all, each one of them naively believed himself to be independent, guided by an indestructible faith, an Allah come down from the heavens to

majestically write his name in the clouds. Fiercely committed to their ideology and indeed integrated into a system they could not escape, some began learning how to hold a weapon, use it, and "educate" family members, friends, and neighbors.

Wearing a beard was one socio-political movement's clear and open form of protest. This form of protest, organized based on two strong fundamental foundations—because they were so easy to recognize—(the spirit: shari'ah; the venue: the mosque), with its background of extreme poverty quickly overcame the idleness of one segment of the population. As the first visible physical sign, the beard became subtly associated with the famous [native] shirt/sandal duo, de facto designating every Muslim who was "good and proud of it." Others, devoid of this get-up, quickly found themselves outside this whole, of which it was said that it had a "highly religious" faith and was consecrated in paradise most divine.

If the bearded man (on account of his minority status) was attacking society, he was at the same time exhibiting his membership in a sort of brotherhood to which he remained deeply attached. Not only was this protest a sign of adherence to common ideals, it was also a form of struggle with or a break from every other social system.

By maintaining a beard for and against everything, he inspired respect and sympathy among the young.

The beard was evidence of the wearer's belief, then of his courage. In the mosques, he was king...and we really did feel that the length of the beard was a direct statement of his faithfulness and submission to Islam's principles and values. There is enough in today's reality to shake up all these prejudices, which were, however, inculcated at the cost of innumerable post-adhanic [as published] sermons and other bursts of fervor.

The culture of the beard no longer holds: faces voluntarily opt for "sterility." Bearded men, even the most inveterate, plunge right into a daily life that they denigrate. Their message is no longer carried high up on the face but inside the mind. Many, though, have not stopped hoping for their "just, hard working," exclusively male society based on various "good Koranic interpretations."

But the facts are there, blatant, unruffled, brutal...and boring: beards are no longer there! They have been taken off, washed down a sink, and exchanged for the peaceful existence of clean-shaven citizens.

So look at the streets, alleys, and downtowns: smooth, smooth, smooth skins...and then, opposite you, hard, hard, hard policemen!

### More Legs

After leaving this man's world, the passerby, curious as ever, begins to cast the well-known up-down glance at the long hair and the high-heeled shoes. He still, of course,

takes great delight in these famous (voluptuous) black coverings and assorted gloves because that, they say, is all it takes to arouse the most introverted souls. But that is exactly the problem: these creatures have purely and simply dropped out of circulation! You only meet them once a month and then, as soon as you've spotted them, they have already run off....

The facts are undeniable: today women are breathing. And their breathing is the world's bravest.

Because all of us know [full] well that no one is immune to a squirt of acid or any other indelible scar. Yet young women do dare: their skirts are short, their lipstick is bright, their derrieres wiggle...and they meet more [men]. Indeed, once again, each day women are teaching us a new lesson in courage. The way they dress does not dumbly announce the return of yesteryear's fashion, linked to a feeling of freedom and tolerance: rather they are engaging in a true battle, beneath our drawn, excited eyes, against obscurantism and a turning back of ideas. Despite the risks and the incomprehension of the imbeciles, they are struggling.

Islamic fundamentalism does not scare them and even if it did threaten them, they would continue to advocate their indescribable right to freedom and independence. The men with the beards, even in their glory days, could not manage to worry them. Their demands have not changed a single iota. And in the mass marches, weren't they again the first ones to give voice openly to their wish for peace and the choice of their side! From the flowers they handed out to policemen to the antiterrorism slogans, they have always volunteered to be on the front line, often crying out more loudly than the men.

Today, stronger yet, they are steering the Algerian ship [of state] with fervor. And if, in the eyes of certain "blind men," a miniskirt may seem quite harmless, it does really prove to be like an important and major step in our inalienable march towards modernity.

#### **Government Directive: Mode of Enforcement**

93AF0644B Algiers EL MOUDJAHID in French  
17 May 93 pp 2-3

[Interministerial directive: "Restoration of State Authority Within Government, Public Institutions, and Businesses: Public Service Demands It"]

[Text] *Yesterday the government made public an interministerial directive regarding ways of implementing the provisions of executive decree 93-54 dated 16 February 1993 establishing certain special obligations applicable to civil servants and officials as well as workers in public establishments and enterprises. Here is the text of this directive:*

The aim of this interministerial directive is to establish ways of implementing executive decree number 93-54 dated 16 February 1993.

As such, it tends to define the contents of the obligations established by the said decree and, for information, to identify misconduct and the actions which this calls for as well as procedural elements and elements regarding the establishment of service regulations.

I. Concerning obligations and actions to be taken when they are not observed:

Beyond those obligations, which they are normally required to observe under the applicable statutes, civil servants and officials as well as workers in public enterprises are subject to special obligations established by decree number 93-54 dated 16 February 1993, which can be put into three (3) major categories explained below.

It is not possible to provide a list of all the infractions likely to be committed in all work places. But it was deemed important to enumerate some of them and indicate the range of applicable actions so as to make possible the determination by each public administration, business or establishment of all those infractions likely to be committed there as well as corresponding disciplinary actions. The guidelines below will thus serve as a framework and a guide to help establish service regulations.

1. Concerning the loyalty obligation and action to be taken when this is violated:

Because of the special tie that links them to the state, civil servants and public officials as well as workers in public enterprises are committed to a duty of loyalty with regard to the state and its institutions. This duty essentially translates into fidelity to the constitution and the principles contained therein as well as loyalty when implementing the policy of the government as expressed by the legal, regular action of public authorities and government.

Nonobservance of this obligation is demonstrated chiefly by:

- a) acts or attempts to destroy buildings, works, equipment, machines, instruments, raw materials, and other property and objects, which make up the patrimony of the employing entity, knowingly perpetrated for malicious reasons, and causing a difficulty and/or disrupting the operation of the employing entity.
- b) voluntary acts or attempts to attack the state's symbols and attributes.
- c) the theft and embezzlement of the property and resources of government and public establishments and enterprises.
- d) the fraudulent use of the property and resources of government and public establishments and enterprises for unacknowledged purposes or for the benefit of hidden, private interests.

- e) serious, obvious negligence having led to or promoted the misconduct cited in c and d above.
- f) serious negligence in the implementation of regular directives from the hierarchy having led to major losses or damages.
- g) threats and plots to intimidate both inside and outside work places aimed at spreading fear and dread for ideological, religious, or partisan reasons.
- h) refusing, for sectarian or partisan reasons, to carry out the hierarchy's regular directives to accomplish the tasks and work related to the job.
- i) the systematic and repeated denigration of the government's legal and regular action.
- j) the repeated and habitual nonobservance of work hours.

The misconduct enumerated above can lead to disciplinary action that could include:

- dismissal in the cases set out in a, b, c, and d
- demotion in the cases set out in e, f, g, and h
- a six-month suspension in the cases set out in i and j.

Furthermore repeat offenses in the cases set out in e, f, g, h, and i can lead to dismissal; however, in the case set out in j, a reassignment for cause can precede an eventual demotion.

2. Regarding the confidentiality obligation and action if it is violated: The regulations [currently] in force lay down certain incompabilities, to which new ones have been added as a consequence of decree number 93-54 dated 16 February 1993. The new criteria must be specified for each sector as a function of its special needs.

In this respect and as a general rule, any activity which by its nature or ends or by reason of its political partisan character directly or indirectly exposes its author to the risks of violating the general and particular statutory obligations that apply, is deemed incompatible with the rank of civil servant, public official or worker in public enterprises and establishments. As such, any activity likely to lead its author, voluntarily or involuntarily, to divulge professional secrets, harm the material and moral interests of the institution or agency employing him and prevent him from acquitting himself of his professional obligations in all freedom, calm, and efficiency, is deemed incompatible.

Furthermore this obligation carries with it respect for the dignity connected with the position or job occupied, whatever their level and nature may be. This translates into an attitude of confidentiality both on and off the job.

In this regard the civil servant, state, business, or public official must constantly, even away from work, have a worthy attitude such that it does not harm the good name of the institution which employs him.

A violation of this obligation occurs particularly when:

- a) there is a conscious concealment of an activity that is incompatible with the exercise of the position occupied within a government agency, a business or public establishment with the intention of harming the state or its institutions or to shirk regulatory obligations as set out within the professional framework.
- b) there is the organization of political meetings in work places, proselytizing work, and propaganda speeches during work time or while work is being performed,
- c) drives or collections of any sort are organized in work places and outside of legal procedures,
- d) there is a failure to observe professional secrecy rules or anything categorized as such by the regulations in force,
- e) there are acts of physical violence, insults, and threats,
- f) there is the repeated and/or habitual practice of parallel activities, whether illicit or not, which could disturb the regular exercise of assigned duties or work,
- g) there is a repeated incitement to disorder in work places with the aim of disrupting the proper functioning of the employing institutions or agencies and for reasons that are incompatible with the exercise of legally recognized trade union rights,
- h) there is the wearing of garb and clothing that is not in conformity with the internal regulatory directions or the internal hygiene and security directions as well as those that constitute garb that carry a clear sign of an ideological, political, or religious membership,
- i) there are rallies, except in the case of regular trade union activity, on professional premises, in nearby areas, and other places within the perimeter of the employing institution or agency.

The nonobservance of this confidentiality obligation may, for each one of the acts of misconduct enumerated above, given for information, lead to action, which could include:

- dismissal in the cases set out in a, b, c, d, e, and f, [and;]
- suspension of from one to six months in the cases set out in g, h, and i.

Repeated offenses in the cases set out in g, h, and i can lead to an immediate transfer followed, if need be, by dismissal.

3. Concerning the obligation to be impartial:

As a general rule, this obligation relates to the duty of the civil servant, public official or worker to observe the principle of the equality of all, citizen users and customers, as they derive benefit from the work and services with which the employing institution or agency is charged. Because of this, the obligation forbids any

unequal discrimination or treatment that does not have its source in law or regulation.

Violation of this obligation can occur when there is:

- a) falsification or attempts to falsify work documents so as to harm a user or favor him,
- b) the use of a job with a view to favor or harm a user,
- c) favoritism or ostracism with regard to users consisting of giving priority to one user as compared with another for no valid reason.

Nonobservance of this obligation to be impartial can, for each one of the cases of misconduct enumerated above and reproduced for the sake of an example, lead to actions that may include:

- dismissal in the case set out in a,
- demotion in the case set out in b,
- a one-month suspension in the case set out in c.

Repeated offense in the case set out in b can lead to dismissal whereas repeated offense in the case set out in c can lead to a demotion followed, if necessary, by dismissal.

#### 4. Concerning the obligation of the official holding the power to take disciplinary action:

Any official in possession of disciplinary power who does not take disciplinary action or refuses to do so when he has observed failures or when those which have been reported to him are supported is liable, at a minimum, to the same disciplinary action as is prescribed to correct the failures as charged.

Besides, the fact remains that all of the administrative and professional disciplinary actions incurred as part of failures of those obligations established by executive decree number 93-54 as noted above are not at all exclusive of the civil and penal responsibility connected with the facts as charged.

As such, as needed each involved official must, as part of existing law, legally prosecute concurrent with disciplinary procedure, under penalty of disciplinary action as part of the implementation of executive decree number 93-54.

#### II. Concerning aspects of disciplinary procedure:

If the facts that make up the special obligations as set out by executive decree number 93-54 dated 16 February 1993 can monitor professional failures already contained by current regulations, the procedure established by this same text diverges totally from it, notably for reasons of speed in decisionmaking and implementation.

So in public jobs, disciplinary actions taken as part of executive decree number 93-54 are only subject a posteriori to a certification of principle.

#### 1. Decisionmaking level:

Disciplinary action for mistakes, once identified and established, is carried out by the authority invested in the personnel office or the department regularly so delegated or empowered.

This authority must be known so as to allow each worker to know the officials empowered to take disciplinary action relating to them and those officials to whom he could appeal.

As part of this, the power to decide what disciplinary action to take must in every case be assigned to the appropriate hierarchical echelon which is best able to act quickly and efficiently.

It remains understood that the authority who signs the decision can be someone other than the authority proposing it. It will then be up to the authority proposing the decision to send to the relevant authorities the information necessary to rapidly formalize the decision through the appropriate echelon.

All of the decision's preparatory and final measures are to be organized in a collaborative fashion among the various echelons involved from the hierarchy involved following, as need be, the methods defined for each sector in accord with the provisions of article 16 of the above-cited decree and keeping in mind the organizational structure of the institution or agency involved.

The said methods and procedures must include the time period that will allow the immediate echelon to issue an injunction, a regular staying order, in those cases where one is required.

#### 2. Formalizing disciplinary actions for failure to abide by the obligations:

A specific form of disciplinary action for misconduct committed by on duty civil servants and public officials in agencies governed by the provisions of the general statute on civil service work is given in the usual regulatory acts.

Misconduct that occurs in public enterprises is punishable according to the usual forms, by a decision of the official expressly chosen by the hierarchy.

In all cases, decisions of disciplinary action should be motivated to justify the action being taken and make it possible to exert oversight and, if need be, the needed appeals.

#### 3. Methods of giving notice of the decision:

The official involved is informed in writing of the complaints made against him and the disciplinary action he will incur in accordance with the provisions of the above-mentioned decree and the internal regulation.

A period of fifteen (15) days is granted him to present his explanations in writing to the relevant authority.

An ad hoc file is opened for this purpose in which are entered both the notices of disciplinary action and the responses of the staff members concerned.

At the conclusion of the 15-day period alluded to above and after the responses received have been studied, the next step, as needed, is the written notification of the final decision regarding disciplinary action, with initials acknowledging receipt in an ad hoc notification register.

When there is a decision to apply disciplinary action, at the same time notification occurs the authority invoking the action must immediately send a copy of the file to the hierarchical authority empowered to deal with an eventual appeal.

#### 4. Concerning the effects of the disciplinary action:

Regardless of recourse to avenues of appeal, the disciplinary action, which has been decided upon as part of the implementation of the provisions of the decree cited, may be carried out as soon as there has been a written notification of the decision regarding disciplinary action sent to the party concerned.

Where the official involved is concerned, written notification of disciplinary action carries with it in particular:

- in the case of suspension and dismissal: suspension or elimination of the salary; being stripped of his professional [identification] card; and being stripped of all other means and/or instruments meant for the exercise of his duties;
- in the case of a demotion: a change in salary; being stripped of his professional [identification] card and its replacement by a new card that reflects the effect of the action; being stripped of all other means and/or instruments not connected with the exercise of the new functions corresponding to the demotion.

The internal regulation will specify, as need be, all other effects inferred by the disciplinary action decided upon.

#### 5. Appeal:

Officials who have received a notification of disciplinary action as part of the implementation of the provisions of article 12 of the above-mentioned decree have a right of hierarchical appeal with the authority above the one that made the decision. This authority will have to be clearly identified beforehand in the disciplinary action decision. To this end, the document giving notice of disciplinary action shall mention every item identifying the appeal authority for each case considered.

The appeal must be made within a period not exceeding fifteen (15) days, starting with the notification of the individual involved in the disciplinary action decision. After this period, the appeal cannot be filed.

The authority empowered to receive the appeal has a thirty-day (30) period to decide based on a file made up of all items likely to make it possible for him to issue a judgment in full knowledge of the case and in complete

fairness. The appeal can lead to the decision's being sustained, altered, or quashed. After this 30-day period, the appeal authority's silence means the disciplinary action has been sustained.

Quashing the disciplinary action decision by the appeal authority results in the reinstatement of the civil servant, official or worker in all his rights with effect as of the day he was notified of the disciplinary action decision.

Disciplinary actions handed down as part of the decree mentioned above must lead to the establishment of measures to ensure the regular operation of services and the replacement, as needed, of the official involved who will be reinstated, when the suspension is over, in a similar vacant position.

### III. The Framework Regulation

So as to facilitate the development of enforcement regulations, which will be promulgated in accordance with practice, either by order or in the form of an internal regulation, the general framework and the rubrics to be used are given below.

#### 1. General discipline:

Notwithstanding the disciplinary rules contained in different management papers on labor relations, the aim of the present prescriptions is to specify the disciplinary rules inferred by the implementation of executive decree number 93-54 dated 16 February 1993. Professional obligations and those contained in the present directive and those disciplinary actions pertaining thereto must be repeated in detail and accurately.

#### 2. Work hours:

- It is important to impress the importance of abiding by the work hours set by the employing agency and ensure the corresponding disciplinary action in cases of nonobservance.
- As part of this, the work schedule must be respected, by a sign-in or check-off system, as need be, or it must be reinforced by conducting unannounced checks so as to verify the actual presence of the staff member(s) concerned.
- Ensure that tardiness and unauthorized or unexplained absences are dealt with through disciplinary action by setting up procedures appropriate to this purpose.
- Check the validity of excuses which could lead to regularly authorized absences.

#### 3. Regulating departures during work time and movements inside work places:

##### a) Departures and absences:

As a general rule, no departure from the usual place of professional [work] is authorized except one linked to the exercise of the activity or function. However, partial exceptions may be made given administration consent in cases of force majeure.

Each partial exception should lead to the issuance of a written permission to leave, which the holder must give to the exit guard when he leaves.

Any absence not previously authorized in writing shall lead to a disciplinary action approved by the administration.

Two instances need to be looked at: an absence despite a refusal made to the request by the employer; [and] an absence for which no authorization was requested.

b) Staff movements within the work place and its confines:

Movements of staff should be in response to professional goals and abide by security concerns.

It would be appropriate to foresee the possibility of internal zoning, especially for establishments dealing with sensitive matters, and to set the restricted zones off by strictly regulating access.

Access to offices and plants for the purposes of checking, oversight, and maintenance is the sole task of technicians who have been duly identified and empowered [and] who appear on an updated list. Visitors logs of plants are established and maintained so as to make obligatory and verifiable information on the dates and times of visits and the identification papers of visitors and the authority that authorized the visit.

Staff responsible for monitoring and maintenance should visit accompanied by staff members responsible for ensuring the regular operation of the equipment and plant concerned. The absence of the latter during visits by specialist teams is an error which can lead to dismissal.

c) The guard and key system, with a list of staff members holding keys and passes, while not omitting the efficient setting up of details so as to guarantee the confidential nature of the system [as published].

d) The movement of persons not belonging to the institution or company is regulated by: an entrance check; the wearing of a visitor's badge; a sign-in or registration together with the showing of a piece of identification; the signature by an official of the work place being visited of a document attesting to the fact of the visit and specifying its aim and length; it is important to organize the way persons not belonging [to the institution], such as users,

customers, and others, are met; any group of a nonprofessional nature is prohibited. Checks should be made.

4. Dress:

- Ensure that staff wear regulation dress for every professional category concerned such as welcoming staff, drivers, custodians, and security guards.
- Remind [staff] of the dress suited to the practices of the profession and hygiene and security requirements and anticipate the requirement to wear it (blue work smock, slip, blouse, etc.).
- Anticipate banning the wearing of any clothing, possession, emblem, or item of apparel that might clearly demonstrate adherence to an ideological, political, or religious movement.

5. Hygiene and security:

- a) Make nonobservance of instructions to constantly maintain good hygiene and safe work places an item of professional misconduct and anticipate a procedure to implement this requirement.
- b) Put in place a system that will ensure that officials and workers, especially those who come into contact with the public, are correctly attired.
- c) The wearing of a badge is required and the badge will be different according to the zoning set up in accordance with the provisions given above.
- d) Persons not belonging to the work place must wear a visitor's badge or some other distinctive sign and be accompanied by staff assigned to do so.
- e) Any posters unconnected with the regular, professional and trade union activity or worker representation, and in places other than those previously set aside for this purpose must be approved. So posting areas must be set aside as well as procedures and staff members responsible for maintaining them.
- f) The fraudulent use of business property and resources for unacknowledged purposes or for the benefit of hidden private interests as well as the use of business property and resources, which intentionally causes damage to buildings, equipment, and plants, must be approved.
- g) A system and procedures should be established to guarantee the use of printing and reprography materiel exclusively for business use, with disciplinary action for violations and fraudulent use.
- h) Using precise regulations, a system should be established to monitor the access to and the use of seals and stamps as well as to stocks of paper, ink, printed material, printed forms, and spare parts to maintain all types of equipment and plant as well as access to and use of the telephone, telex, and telefacsimile [machine] and computer equipment, so as to avoid all types of abuses.

## 6. Behavior towards users:

- a) The behavior of employees of the state and in public enterprises and establishments should be in accordance with the necessary strengthening of the authority of the state and its symbols. Staff should refrain from expressing personal, political, and partisan opinions in their contacts with users.
- b) Civil servants and workers in government agencies, establishments, and public enterprises and agencies who have contact with the public must exhibit an attitude characterized by courtesy and kind neutrality.
- c) A citizen has the right to a response to requests he makes of government agencies, enterprises, and public agencies within a reasonable period of time.
- d) A complaint and claim book, with numbered pages and initials, which is regularly looked at by the head of the public agency, must be made available to the public, visitors, users and customers.

Management must examine the contents of the complaint and claim book and for each claim indicate the follow-up made (unfounded claim or disciplinary action taken against the employee at fault if the claim is founded).

A claim not dealt with within a two-month period is deemed an error of negligence by the officials concerned.

Each month signatures for the claim books should be requested by the directors concerned.

**After the Street, the Office, and the Building Site:  
Promulgation of Circular 03 Implementing the  
Provisions of Executive Decree 93-54 Dated 16  
February 1993**

1. Executive decree number 93-54 dated 16 February 1993, which is part the measures inferred by the state of emergency, sets out certain special obligations applicable to civil servants and public officials as well as workers in public establishments and enterprises. This special text, linked to the general situation the country is currently experiencing, is one of the measures implementing the government's work program with regard to the restoration and the strengthening of the state's authority and credibility.

The express aim of the above-mentioned executive decree can only be achieved if the implementation measures it will lead to are successful in fully restoring the specific respective functions of public administrations and services in accordance with their official purpose and aim, which led to their creation. This restoration cannot be achieved if, within public administrations, establishments, and enterprises, staff or equipment are used for partisan interests or if they take

part in struggles and competition for influence away from their professional activities.

2. These new terms, which establish obligations linked to present conditions, partly repeal the normal procedural rules to appeal to each hierarchy within public administrations and institutions as well as economic enterprises to look at the actual situation of their business and agency and to implement the terms inferred by the decree. The attention of all those who are part of the hierarchical chain, from the foreman to the director general or from the office chief to the minister, is drawn to the fact that the terms defined by executive decree 93-54 dated 16 February 1993 do not comprise a power that they may or may not use at their whim. They are terms of public order:

- which obligate each member of the hierarchy to account for any act or behavior that deserves to be caught and to ask that disciplinary action be taken;
- which obligate each member of the hierarchy empowered to make the called for decision in accordance with procedures;
- which make it necessary to take disciplinary action against any member of the hierarchy who, if properly informed, does not ask for or hand down the disciplinary action required.

Contrariwise, and owing to the force of decree 93-54, any use of the prerogatives it provides for aims other than those determined by it, especially abusive uses, will be punished by disciplinary action.

3. This text in no way stands in the way of the exercise of trade union rights, within legal forms and procedures. Furthermore it is not opposed to the free exercise of civic and civil rights and freedoms outside of the professional environment. It does, however, call for strict discipline within the professional environment.

4. Each member of the government will see to it, within the sector placed under his responsibility, that all the enforcement measures be rapidly made and implemented for the provisions of executive decree number 93-54, above-mentioned, which I particularly commend to the attention of one and all.

Methods of implementing decree 93-54 will be chosen and disseminated to the administration and public enterprises and establishments by the General Directorate for Public Office and the Ministry of Labor and Social Affairs. It is up to each agency forthwith to initiate preparations for and the implementation of these provisions so as to restore conditions of efficiency and safety to work places as soon as possible.

I recommend that each minister charge one member of his cabinet to follow the implementation of decree 93-54 and supply to the relevant authorities of administrations and enterprises or establishments any needed assistance and support so the assigned objectives may be achieved.

### Mechanisms To Enforce Law, Order 'Necessary'

93AF0644C Algiers EL MOUDJHID in French  
17 May 93 p 3

[Editorial signed by [name illegible]: "A Question of Discipline"]

[Text] Public order does not exist solely in the street. Every public space where citizens meet to work, exchange points of view, broaden their culture, or enjoy themselves are places where discipline must be scrupulously observed, exclusion banned, and bias combatted. To say that these public places (the business, the city, the school, the factory, the ministry, big stores, etc.) have not been infected by the gangrene of such behavior would be just like assigning a top grade. Each and every one of us is not unaware of the fact that it is precisely in these spaces that the acts are committed or the attempts made to destroy personal and immovable property belonging, to be sure, to the employer but also to society as a whole, that thefts and embezzlements are cleverly organized, that the use of government property and resources is cultivated, and that serious negligence, threats, and intimidations turn up. Here are some examples: The sabotage of the plant at the EPRC's [expansion not given] Meftah unit could not have been carried out without there being collusion to help the perpetrators freely do their deed. The so-called Islamic marches whose numbers grew during Ramadan 1991, thanks mostly to city [public] transit, served a partisan cause. There were the injustices that benefited certain elected officials who, among other people, hoarded housing meant for those with the least. To put an end to these practices, the government, in its 16 February executive decree, established obligations to which workers (civil servants, officials, etc.) will be held, and subject to enforcement measures contained in an interministry directive termed an "exception text." The latter identifies "those infractions likely to be committed in the work place by indicating degrees of disciplinary action." From it emerges a determination to reestablish order and discipline in government and publicly owned enterprises. Some will curse—do they fail to understand? is it calculated?—the general regulation that lays down the charge of "providing for the prohibition of the wearing of any type of dress, personal effect, emblem, or garb of a sort, which could clearly show membership in an ideological, political, or religious movement." Biased interpretations require that leaders affected by communication be mobilized. Explanations and making things explicit are necessary. So this is the way in which it might be possible to reestablish order and the state's authority everywhere. And that is a necessity.

### HCE Said 'Out of Touch' With Abdesslam

93AF0638A Algiers HEBDO LIBERE in French  
19-25 May 93 p 5

[Article by A.O.: "We Are All Mafiosi!"]

[Text] Although the president of the HCE [Higher State Council] avoided any direct mention of the government in his latest speech—a fact interpreted by some to

indicate renewed confidence in Abdesslam—public opinion and the independent press did not fail, for their part, to note a gap between the HCE's views and what the head of the government is actually doing.

That gap is noticeable at two distinct levels at least. At the economic level, Kafi again reiterated "the need for a policy capable of progressively reenergizing the growth of our economy, freeing up initiative, and extricating us from administrative and bureaucratic management of the economy." It happens, however, that what both the public and the private firms criticize the head of the government for is precisely his centralizing inclinations, which limit the autonomy of the firms by subjecting them to administrative orders. Another indication of the line separating the HCE from the government was provided during Kafi's meeting with the editors of the national press. In answering a question concerning the future of the government following the planned enlargement of the Advisory Council, the president was careful to make a distinction "between the program, which is one thing, and the men, who are something else."

Restated in decoded form, that could very well mean that in light of the new political facts emerging from the current dialogue, the government would be forced to do without Belaid's team and replace it with a government of national union, which is what the opposition wants. The other difference in approach between the HCE and the government concerns the role of the independent press in our country. Kafi paid the latter a tribute that contrasts remarkably with all the intrigues and other legal harassments aimed at stifling that press. The fact—and one need not be an expert in hermeneutics to see it—that attention is being drawn to those conditions in certain newspapers visibly displeases the prime minister, who expressed his irritation in two anonymous articles published in ESSALAM and ECHAAB on Tuesday 11 May. Under the oh-so-suspicious headline: "Has the Mafia Infiltrated the Independent Press?" the author of the article writes that "the interpretation made by those newspapers (editor's note: independent newspapers) insidiously hints at what they call an absence of cohesion between the HCE and the government." According to him, none of that is true at all and, he says, it is just a matter of intrigues aimed at sabotaging the actions of Belaid Abdesslam's national government ("houkouma watania"). A few lines later, mingling strange ideas with false assumptions, he wonders about the "hidden" motives behind that type of interpretation, which he says is "the work of mercenary writers in the service of the political-financial mafia on which Abdesslam is declaring war through the anticorruption campaign." For its part, ECHAAB agrees completely with that summing up under the headline: "Mafia Wants Belaid's Head." In this case the author says in substance: "Is there still a shadow of a doubt about the intentions of a certain segment of the press that excels in strange ideas and ambiguities?" Then the author, who did not sign his article, fills a quarter of a page with puerile ramblings in which he accuses certain newspapers of not following the



interpretation published in the government press. For example, all those who have chosen to follow the path of "intellectual adventure" by establishing newspapers independent of ministerial control are said to be only mercenaries in the pay of secret groups hostile to Belaid Abdesslam's nationalist government ("houkouma watania"). Nothing less! It is truly deplorable that those in certain spheres of power are unable to imagine that a journalist might have his own very honest interpretation of a speech and that his interpretation might be free of any kind of political or financial sponsorship. Definitely a case of conspiracy-itis.

#### ENTV (National Television Enterprise) Censors Kafi

During the discussion that was part of his meeting with the newspaper editors, President Ali Kafi brought up the thorny and problem-ridden issue of language.

He recalled that during the revolution, most of the leaders had been French speakers and had used that language without having any hang-ups about it. Kafi cited the example of Didouche Mourad, who, since he had not mastered Arabic, spoke French.

That fact in no way diminished his patriotism or his commitment to serving the revolution. Moreover, he was the first of "the six" to be killed in action in eastern Algeria.

Obviously, that segment was censored by the ENTV because it did not agree with the Islamist-Ba'athist version of historical truth.

#### Support for Belhouchet

It was with indignation and disgust that the editors and staff of HEBDO LIBERE learned of the cowardly attack on our colleague Omar Belhouchet. In these difficult circumstances, Belhouchet is assured of all our support and all our sympathy.

Once again, we can only note that it is at the very moment when a tiny hope of overcoming the crisis seems to be coming into view that the forces sworn to destroy our country have decided to strike.

In this tragic situation, we are left with the consolation of noting that the independent press remains the chief defense against Algeria's drift into chaos. That being the case, its enemies are certain to try to strike more blows at it.

#### 'Catastrophic' Crop Loss Due to Drought

93AF0622A Algiers EL WATAN in French  
17 May 93 pp 1, 3

[Article by Moussa Ait Ihaddadene: "An 83-Percent Crop Loss"]

[Text] Drought has ravaged western Algeria, taking a disastrous toll on farming.

In the wilayah [governorate] of Oran, the crop loss is estimated to be 83 percent. Almost the entire region has been declared a disaster area.

From October 1992 to April 1993, 210 mm of rainfall were reported, as compared with 251 mm during the 1991-92 farming season and 389 mm for 1990-91. The rainfall deficit was 127.5 mm in relation to the Seltzer mean of 388 mm.

These marked climatic variations have only made matters worse for Algerian agriculture, which is already in alarming state of disarray.

Only 6,777 hectares [ha] of grains out of a total 47,355 will be harvested. The remainder will be used for grazing and livestock fodder. As for pulse crops, only 435.5 ha out of a total 3,687 will be saved.

The grain harvest is expected to bring in 36,323 quintals (all grains combined), as compared with 200,000 quintals for the 1991-92 harvest and 500,000 quintals for the 1990-91 harvest.

In early April, a special commission was established by Mr. Elies Mesli, minister of agriculture, and assigned the task of organizing "the means to combat the effects of the drought which, for several months, has been affecting the western region and a portion of central Algeria."

The members of the commission later submitted to the government a report on "the overall state of affairs and proposed appropriate means of combatting the drought to aid farmers and livestock raisers affected by this disaster in hopes of saving next year's harvest."

One member of the commission stated that "Algeria should not—in theory—be caught off-balance by the drought, as this is a cyclical phenomenon (...) well known to the farmers and livestock raisers." However, the fact that 83 percent of crops have been declared unsalvageable leaves little room but to conclude that the commission's objectives were not achieved.

The wilayah of Oran is seriously affected by the disaster despite the measures enacted by the water authorities. They initiated a program of "water supply cut-offs starting on 10 April" and "the drilling of two new wells in the Oued Tlelat region." In addition, they launched a program to refurbish 26 km of the water-supply network, which will result in a savings of more than 40 percent of water resources. But nature defeated these well-intentioned efforts.

The land area affected by the drought in western Algeria is extensive, belying the optimism that was expressed in early April. It is an indication that the commissions that were formed to address the problem may have underestimated the severity of the drought.

## EGYPT

### Arrested Americans Blamed for Inciting Unrest

93LD0008C Cairo ROSE AL-YUSUF in Arabic  
22 Mar 93 p 16

[Report by 'Abdallah Kamal]

[Text] According to an interesting rumor originating in Tura Prison, four spies from the United States were recently arrested in a serious case.

The rumor did not arise in a vacuum. The Americans entered Tura Prison two weeks ago. Their case did not involve espionage. However, like espionage, it would have ultimately struck society from within. The four prisoners nonetheless left prison with not a hair out of place and without having been punished!

The story began two years ago, when an American employee of an oil company informed his Egyptian acquaintances that he was a Muslim. He did not stop at this and began to pray in front of them in a manner described as bizarre.

From one gathering to another, it seemed that this American was not alone, and that there were three others like him, including a New Zealander. They were, using a method devised by foreign organizations, passing off as Islamic innovations that would bring "the target" directly to a Christian sect.

This is not a normal evangelizing case. It is quite different from the evangelizing that was curbed last year at Mit 'Aqabah, when two Europeans were deported after security observed them giving medicine, money, and books to the poor people of the area as a way to enter their minds and start a conversation leading to their abandonment of their religion, the arousal of emotions, and the igniting of sectarian discord by foreign hands.

However, the recent case is different, inasmuch as the foreign group did not give the poor medicine, which they needed, but items which produce pleasure, e.g., radios, mixers, etc.

After the gift was given, the poison began to be administered surreptitiously in the honey. The American told the Egyptian: "Islam is for Muslims, and Christianity is for Christians." In this way, he ensured that the Egyptian would remain receptive and not assume an attitude of religious alertness and sectarian aggressiveness.

However, matters did not stop there.

After becoming acquainted and giving gifts, the foreigners visited the homes of Egyptians, where the Egyptians saw the foreigners engage in strikingly new religious practices. The call to prayer was made without mention of the Prophet's name, prayer was conducted in reverse sequence, and Koranic verses were twisted. All of this was based on the listeners' cultural weakness. As they

listened to a verse, new words meaning the opposite of the original text passed over them without their being aware of the difference.

This method differs substantially from the methods used in the past by foreigners who were later arrested and deported. According to Dr. Rafiq Habib, most of these missionaries are Europeans and Americans who apply their Western lifestyle in their missionary work, using advertising techniques that present religion as if it were a chocolate bar or a soap with a new scent. He said, "As if they were advertising agencies, they rely on approaches that achieve happiness and psychological comfort, convincing others that these approaches can solve problems. They prey on them through their painful spots or by leading them to mental calm through the shortest route.

However, the approach of the American group, which is described at Tura Prison as a spy network, were entirely different. They weaved together strands that were familiar to the victim. They started a conversation with the victim about any topic, ultimately propelling him toward a conversation about Christianity.

For example, they might begin a conversation with a young man who likes music by talking about new and old songs, new artistic schools, and electronic instruments, including the guitar and the electric organ, which resembles the organ, an instrument used to accompany hymns in churches in Europe and America. From there, they would move on to the type of music played on the organ, the songs sung by ministers accompanied by the organ, how that relates to religion, and so on.

At this point, the snare closed. For numerous reasons, people who are generally highly resistant quickly grew weak. Perhaps they yielded to ideas backed up by gifts. Perhaps they lapsed in the face of a strong argument which they could not resist. If they resisted once, the American group tried repeatedly, employing combative polemics very effectively.

Why are foreign evangelical groups determined to operate in Egypt at this time?

The answer is easy. The general climate is tense. The harassment bombs are upsetting people's lives, depressing them, and creating internal intellectual debates. This climate enables the spread of some ideas that the people imagine will save them from their bad economic and social situation.

In other words, these evangelical groups are trying to ensnare those who are fleeing from the [Muslim] religious extremists' ideas toward other religious ideas, which also stress that solutions lie in religion.

But which religion?

Given the extremely small number of victims, the goal must be to incite society from within and to ignite sectarian discord at a time when the state is living on a hot tin plate.

The recent evangelical case ended with the deportation of the Americans. Under Egyptian law, a crime [such as evangelizing] is punishable only if it involves an attack against religion. Consequently, those who perpetrated it are now free.

**Columnist Claims Anti-Muslim 'U.S.-Zionist' Plan**  
*93LD0005C Cairo AL-NUR in Arabic 17 Mar 93 p 8*

[Article by Khalid al-Sawi: "Clinton and Bush: Two Sides of the Same Coin; Crusade Against Bosnian Muslims Continues"]

[Text] The U.S. presidential elections resulted in victory for Bill Clinton, the Democratic candidate, over his opponent, George Bush, the candidate of the Republican Party. The world's nations and countries then looked to the new American president as they waited for American policy on international problems to change. They waited for change in the methods used to treat and confront these problems. Foremost among the nations looking forward to the anticipated change were the Arab nations. But dreams soon vanished, and hopes came to naught when Clinton entered the White House. In his first address from the White House Mr. Clinton presented himself clearly to the world. He proclaimed his support for Bush's policies and declared that he would stick to those policies in addressing many of the problems, of which the foremost are the problem America has with Libya and the one it has with Iraq. Thus fell the mask, and the truth was clearly revealed: The policy of the United States of America remains the same, constant policy, and the tendencies of the democratic president do not differ from those of the republican president. Although the presidents are not the same and their party affiliations are not the same, the policy remains the same. Thus, the notion that the Clinton presidency would strengthen democratic systems in the world collapsed.

The U.S. position on Iraq and Libya is foremost among the points on which President Clinton and President Bush agree and their policies coincide. Both presidents agree on the policies to be pursued on other contemporary international problems that the United States has been dealing with since it became the one and only superpower in the world following the collapse of the Soviet Union. The United States continues to enforce the harshest blockades on both Libya and Iraq, claiming that it is thereby putting an end to terrorism, which is attributed to Libya, the country which blew up an airplane (over Lockerbie). Libya has been helping the revolutionary Irish organization, and it has been exporting terrorism to other countries. The United States is destroying Iraq's nuclear capabilities and forcing it to honor the resolutions of the international community. The United States can now get international organizations, primarily the United Nations and the Security Council, to issue resolutions that are compatible with its policy. It can get resolutions to support its military backing of other parties and its aggressive policies as well. It can make Chapter Seven of the UN Charter bend to its will, since that chapter is pliable and

can be used to serve American goals, consistent with American interests and its goals of controlling the countries of the Third World. And that is what made necessary a display of American military might on our Arab land and in our waters and our skies.

If there were any truth to American justifications and if these justifications were credible, the question which we would have to ask is this: Why is America ignoring Israeli nuclear facilities which are growing and developing under the protection of the international community? Why is there no objection from the United States, the only leader in today's world? Why is there silence about Israel's attitude toward the resolutions of the international community and its disrespect for international law? The most recent example of that disrespectful attitude is Israel's refusal to sign the treaty which bans chemical weapons. Other examples of that attitude include Israel's disregard for the resolutions of human rights organizations and its attitude toward the deportees. These deportees, who are a select group of Palestinian revolution intellectuals, were neither charged with a crime nor investigated, but they were driven out of their homes by the Israelis and sent to an area outside an occupied strip of land in southern Lebanon. Israel blocked the delivery of relief supplies and international assistance to these deportees, and it prohibited their return to their homes. Why is America maintaining a policy of silence in the face of Israel's rejection of all UN resolutions? Israel has so far rejected all the resolutions of the international organization, starting with Resolutions 242 and 338.

Is this policy not one of double standards?

On the other hand, what is America's role in the face of Serbian aggression against the Muslims in Bosnia and Herzegovina? These Muslims have been driven out of their homes, their land occupied, their blood shed, and their organs removed from their bodies while they are still alive and sent to organ banks in Europe where they are traded for more weapons. Where is America's position on the rape of Muslim women and young girls under the age of ten? Where is America's position on the transplantation of animal fetuses into women's wombs? All these things are happening within sight and earshot of all international organizations and the international community. These things are happening in the context of a gruesome crusade which is being waged by Serbs in total disregard for human rights or international organizations. As a result, more than 250,000 Muslims have lost their lives, and an equal number are facing imminent death from Serbian weapons or from the cruelty of hunger, disease, or thirst. Why does America's conscience remain unmoved? Why does the international community take no action? Why do human rights organizations not take action to stop the most gruesome massacre the human race has known in its modern history? What is happening there pales by comparison to Hitler's Nazism, to Mussolini's Fascism, and to the massacres of the Moguls and the Tatars.

Pay attention, Gentlemen: The issue is clear, and the conclusion to which these events are leading us is that international organizations have become pliable tools in the hands of the American system. These organizations legalize U.S. aggression against small and powerless Third World countries, and they mobilize the armies of U.S. allies for that purpose.

What is happening today in Libya, Iraq, and Bosnia-Herzegovina and what Muslims are being subjected to in these countries constitute part of an American-Zionist plan that is targeting Islam and Muslims first and foremost, striking unremittingly against Muslims and aiming for the elimination of the Islamic nation. This plan will be carried out again tomorrow in other locations of our Islamic world. The unequivocal statement was made that the number of Muslims has exceeded one billion, that they own two thirds of the world's petroleum, and that they are an opposing force and an enemy that has to be taken into account after the collapse of the so-called Soviet Union.

The lesson must be learned and understood, and these are some of the facts of the case that have to be given due attention before the point of no return is reached and before the deluge stares us in the face.

#### **Obstacles to Egyptian-Arab Trade Discussed**

*93AF0568B Cairo AL-AHRAM WEEKLY in English  
22-28 Apr 93 p 4*

[Article by Zaynab Abu-al-Ghayt]

[Text] Despite similarities in language, customs, and tastes as well as geographical proximity, Arabs have not yet created a self-sufficient market. Inter-Arab trade does not exceed eight per cent of the total world Arab trade. Ra'uf Sa'd, economic advisor at the Ministry of Foreign Affairs, attributes this situation to the similarity of Arab economies which depend on exporting raw materials and the import of manufactured goods. In addition, he said politician changes also have an impact on trade relations.

Nonetheless, according to the Ministry of Economy, trade figures have improved markedly over the last three years. Egypt's trade surplus with Arab states has risen from LE60 million in 1988/89 to LE550 million in 1990/91. Topping the list of Egypt's trade partners are Saudi Arabia, followed by Libya and Sudan.

However, a host of problems obstruct increasing trade exchange. Hilal Shahatah, vice-president of the General Exports department, points out that although bureaucratic procedures hindering exports have been eliminated there are many other impediments. For one, Arab products are facing strong competition from East Asian

exports, whose value is lower in spite of their limited resources. Shahatah suggests placing a one per cent tax on these exports, while giving exporters incentives in the form of tax exemptions. Shahatah also calls for the creation of a higher council for exports whose job would be solving the problems faced by exporters.

He also cites the reluctance of producers to export because of government regulation—mainly those of the Central Bank of Egypt (CBE) requiring exporters to prove that export revenue has not been deposited in foreign banks. In the case of goods being damaged, the exporter may not receive any revenue, and consequently the CBE assumes that the money has been placed outside the country and incriminates the exporter. According to Shahatah this law needs to be modified in order not to inhibit exporters, especially in light of Egypt's current economic liberalisation.

Transportation costs are another problem, cited by Dr Sa'id al-Tawil, President of the Egyptian Businessmen's Association (EBA). Al-Tawil said that a memorandum has been presented to the Egyptian-Saudi Businessmen's Council requesting that Egyptian steamers be granted equal treatment with Saudi steamers in Saudi harbours and vice-versa.

Another shortcoming, points out Dr Mustafa Mahmud, marketing expert at a consulting and marketing firm, is the lack of coordination. Some producers are unaware that they should produce according to the needs of targeted markets. Mustafa added that the only way to increase exports is by carrying out thorough market studies and applying updated marketing techniques. He also points out that producers do not seize marketing opportunities by selling at certain periods to cover the gap in imports from other countries.

Statistics prove that prices of Egyptian products can be made competitive by rationalising production costs. In this respect Mustafa stresses the importance of undertaking feasibility studies and evaluation prior to the start of production. He also points out that greater attention should be paid to finishing, packaging and timely delivery of goods—a sticking point for Egyptian exports. Mustafa further recommends the setting up of fairs and the encouragement of more field visits by Arab businessmen.

Currently Egypt holds a number of agreements with various Arab states, among which is customs exemption for products exchanged between Egypt and Libya and Sudan. Egypt also enjoys agreements as a member of the Arab League, including the Treaty of Joint Defense and Economic Cooperation, the Council of Arab Economic Unity and the Arab Common Market. The execution of these agreements has always depended on political will, belying their importance in forming a unified Arab bloc comparable to the EC.

### Al-Ahrar Party Youth Group Sends Letter to al-Qadhdhafi

93AF0578A Cairo AL-AHRAR in Arabic 26 Apr 93 p 8

[Article: "Secretariat General for Youth and Students Sends Letter to al-Qadhdhafi"]

[Text] The al-Ahrar Party's Secretariat General for Youth and Students held its weekly meeting on Monday 5 April 1993, chaired by Muhammad Farid Zakariya, the party's deputy and secretary general for youth. He stated:

We are now able to confirm the success of the American Zionist enemies against the Arab world. The Arabs have forgotten their issues. They fight each other over their disputes. The sound came roaring out of Libya, after the leaders of the 1 September Revolution resisted those who plotted against the community [ummah]. Therefore, we are sending a letter to Colonel Qadhdhafi, Major 'Abd-al-Salam Jalud, Col. Abu-Bakr Yunis, Col. Mustafa al-Kharubi, and all the leaders of the revolution. We told them: "Zionists have succeeded in wrapping you in silence and turning you, unfortunately, into a channel of silence. America and Zionism have succeeded in occupying and neutralizing your national energy, which used to defend the community's issues, into a programmed and directed energy that asserts—day and night—that you did not blow up the American and French airplanes. They have changed you from a conduit of struggle into a conduit of defensiveness; they have neutralized you, stopping your role. America is not very interested in the case of the two aircraft. On the contrary, it is interested in keeping you from defending the rights of Arabs, struggling for Arab unity, resisting the negotiations for capitulation, rallying and uniting the community, opposing American and Zionist hegemony in the region, and resisting the Arab surrender. O, how they have succeeded! You have swallowed the bait and your energy flows only in one direction, which is that the Jamahiriya is innocent and that the Libyans did not blow up the aircraft. Everyone knows that you really did not blow up the aircraft, especially our enemies! However, the Zionist plotters' most important goal is to stay on this case, so that it continues, and you sit in your defensive position. Therefore, we must ask you leaders of the revolution: Where is your fight for Arab unity and your struggle for the victims of Zionism and the Americans? Where is the issue of Palestine, the most painful issue for the 1 September Revolution? Where are the youth of Libya? They did this to Iraq, and we warned you before that you were next. Now, in another scenario, they have down-sized your role and marginalized your struggle. What steadfastness is left now for the community from the remainder of the struggle base? Our hearts bleed when we see you—the heroes of the struggle—justifying yourselves in defense of yourselves, in order to convince killers and murderers that you are innocent. Wake up, Mu'ammarr, we entrusted you. The depths of earth are better than its heights, in light of the disgrace in which we live. Americans have encircled the African continent from the south and the Zionists from the north. The Gulf of Muscat is completely under agreement and military bases.

Egypt is shackled by debts, and the Arab Maghreb is disintegrating. Rise up, Mu'ammarr; Libya is still the Arabs' soil. We say that, and we ask God's forgiveness for us and for you."

After this letter to restore the citadel of struggle for the Libyan Jamahiriya, after the concerns that we have seen all over the community, and after we have begun to curry favor with the Americans and beg them for mercy, we are the makers of their glory, and our energy is what has made their economy prosper. After this bitterness, we shall write, and we shall swear by God and, then, the Arab and Islamic peoples, through a group of letters that we will send to certain Arab leaders. We shall clear ourselves of guilt and put the historic responsibility upon them. As regards the Egyptian domestic situation—rising prices, unemployment, corruption and bribery, the Emergency Law, the Terrorism Law, detention camps, and jails—all are the producers of violence and crimes that we see and reject. We deplore them and we consider that the plotters, executors, and demagogues are not ours and not of our religion, because death is a blind spectre, who kills without distinction. Making death by means of explosives very often kills many innocent victims. Therefore, we call on the government, stressing that random killing and detentions increase the circles of violence and generate terrorism. Violence in a country under siege by violence can be abated through a Marshall Plan, to create job opportunities for young people through interest-free loans. This must be financed by Gulf and friendly nations, repayable over 30 years, with a 10-year grace period. We need \$20 billion for development and to create jobs for the young man who dies in poverty and starvation. He is being torn to pieces, while he watches his country's funds being stolen. Otherwise, all humble solutions might temporarily deter violence but—inevitably—the bomb will explode.

Next to speak was Shadhli 'Abd-al-'Ati, who called on food inspectors to intensify their watch on shops that sell salted fish, since it is the habit of greedy merchants to offer bad merchandise out of greed. This leads to citizens being poisoned each year.

'Atif Faruq called on the governor of Cairo to visit the al-Duwiqah area, where most of the earthquake victims live. About 60 buildings have been randomly destroyed since January, and the rubble is left behind to become a breeding ground for drug users and crime. We demand that this rubble be removed or, at least, the road to this area be illuminated. We also request that the area be supplied with bus lines for all areas of Cairo.

Ibrahim Ahmad spoke about the problem of terrorism, saying that the government always accuses the Muslim youth. "We think that the government is the one that has paved the way, with its arbitrary laws and decrees. For instance, in the agricultural sector, the fellah is suffering because his earnings are being canceled out by agricultural reform. The price of fertilizer has risen 400 percent, while the cost of petroleum products has also gone up 400 percent. Rents of agricultural lands have risen 500

percent. At the same time, the canals and ditches have no irrigation water and, consequently, agricultural land productivity has dropped. Our question is: Where does the fellah in the villages and hamlets get his simple means of livelihood, in light of this mistaken policy? Despite that, the state accuses those who suffer from poverty of working to spread terrorism."

Sa'id Tawfiq spoke next, saying that he hoped the president's visit would result in effective solutions, in light of the deteriorating circumstances in Egypt. Egypt suffers from unemployment, poor example, and loss of moral values. He called on the governor of al-Qalyubiyah to take a careful look at the villages of Tukh district, which suffer from a lack of vital amenities. He also warned about an electrical transformer in a preparatory school in the village of Mansurah Namul, which is putting the students' lives in jeopardy.

**New Interior Minister's Anticorruption Past Lauded**  
*93AF0569D Cairo ROSE AL-YUSUF in Arabic*  
26 Apr 93 pp 10-12

[Article by Hamdi Riziq and Usamah Salamah]

[Text] This minister has come in order to fight corruption before fighting terrorism. He also has come in order to fight both the corrupt ones and the terrorists.

His history speaks for itself.

Major General Hasan al-Alfi, who last week assumed the post of minister of interior, has brought with him to his new office the experience of eight years as director of the Public Funds Administration and 37 months as the governor of Asyut.

They all were years of hot war against corruption and terrorism.

The battles began against politically influential people. They began with the family of a former People's Assembly speaker, with all the power and position the family wielded then. He fought battles with officials and ministers who were involved with investment companies. He entered the corridors and dens of ministries where corruption had spread. And recently he became engaged in ongoing conflicts with members of the ruling National Democratic Party [NDP] and its branches in Asyut.

Therefore, it is abundantly clear that violent battles are forthcoming; some people expect the minister to initiate those battles at any moment.

If we look into his file over eight years back—1980-88—we will see that the Public Funds Administration in Cairo was then under the Security Department. But Maj. Gen. al-Alfi has been able to make it independent. He established six departments that came under it and laid down their principles. Most of the administration's officers regard him as the spiritual father of the administration that has, during his era, been able to fight corruption and stamp it out.

Al-Alfi's file includes the case of 'Abd-al-Khaliq Mahjub and Muhammad al-Bashir. He has been able to lay his hands on this group that used to return confiscated money to their owners in return for a commission, despite the efforts by Dr. Rif'at al-Mahjub, the then People's Assembly speaker, to mediate in favor of his brother. It was said then that Mahjub promised him a ministerial post, but al-Alfi refused, insisting on bringing the brother to trial toward the end of 1968. In 1987 he did not hesitate to arrest seven deputy ministers of agriculture who collaborated with Ahmad al-Rayyan, owner of al-Rayyan investment companies, headed by Kamal Rida, first deputy minister who received 750,000 pounds from Ahmad al-Rayyan in return for facilitating the conclusion of maize deals, despite the fact that the maize did not meet the required specifications. The case then became known as the maize deal. In the same year al-Alfi investigated 23 senior ministry of industry officials in the case known as a major bribery case. This concerned a bid awarded to a foreign company for building a paper factory company in Qaws for a sum three times the lowest bid by an Egyptian company. He insisted on bringing them all to trial in one of the major corruption cases that preoccupied public attention then.

One of the most serious cases Maj. Gen. al-Alfi dealt with was the case of the French Qasr al-'Ayni [hospital] in which some people were involved with the French engineer Cajipie [name as published] who was acting on behalf of the French group in implementing the project and who enabled Egyptian experts to fraudulently use public funds. The case is still outstanding and Cajipier [name as published] is still awaiting trial.

The cases that al-Alfi brought against 101 investment companies are still open. This was one of the most serious economic corruption cases. Al-Alfi had this case under surveillance from the beginning of 1984, and in 1986 he went into action against them. He was able to save a large proportion of the investors' money, before the culprits fled abroad. This was despite mediation by a number of prominent people and officials who benefited from these companies.

Ten Maj. Gen. al-Alfi moved from fighting corruption to fighting terrorism in his post as governor of Asyut, where he found himself face to face not only with corruption but also with terrorism.

As usual, the man had an appointment with destiny and with battles. Storming the hornets nests, enduring bee stings, and facing the lion's jaws were inevitable things for him.

He began with the millions in Asyut.

Al-Alfi asked his finance department in Asyut to collect all the monthly payments that had not been paid for many years for about 14,000 housing units; the arrears totalled one million pounds. This action angered 10 NDP People's Assembly deputies who were not paying their installments to the governorate.

Muhammad 'Abd-al-Muhsin, NDP secretary in Asyut, who proclaimed his enmity toward the governor and his policy right from the first moment, said that the extremists he knows personally and with whom he interceded honorably have paid on behalf of the poor ones whom the government and al-Alfi have abandoned.

Al-Alfi also refused to exempt deputy Ahmad Qirshi of Dayrut from paying 63,000 pounds he owed to the governor for the sweets factory he owns. He also turned down a request by deputy 'Ali Musa of Abnub for an additional quota of 62 tons of iron because Abnub needs it. Al-Alfi stressed the need for collecting back payments worth seven million pounds due to the state, plus unpaid water and electricity bills totalling two million pounds, and collecting 30 million pounds which People's Assembly deputies owe to the Lending Bank. This is an alarmingly large amount of money that shows the extent of the existing chaos.

These deputies accused the governor of working in the interest of the opposition parties and against the NDP deputies in the People's Assembly. The governor proclaims that he is the governor for all the citizens and does not belong to the NDP, nor does he call for supporting it, nor does he participate with the deputies when they campaign to win support and partisans, nor does he pay election bribes.

Al-Alfi also refused requests for transfer of students from private schools to public schools. This caused an uproar and the NDP claimed that the governor has fallen into the hands of private school owners. Al-Alfi then clearly stated that he approves [the transfer of students] in emergency cases only, stressing that the student's condition must make the transfer warranted—for example, if the student's father died or he is poor and therefore cannot pay the school fees. Muhammad 'Abd-al-Muhsin Amin, the NDP secretary, was very angry because al-Alfi refused to render such a small service for the NDP. A year before al-Alfi became governor, Maj. Gen. 'Abd-al-Halim Musa, the previous governor of Asyut, approved the transfer of 800 students by the same method. This step has strengthened the position of 'Abd-al-Muhsin among his supporters in the villages and towns. The strangest accusation is the one that claims that the extremists have paid the students' expenses and that the NDP is abandoning its responsibilities in the face of the rising role of the extremists whom al-Alfi is pleasing with his decisions that please nobody.

'Abd-al-Muhsin strengthened his relations with Kamal al-Shadhili, NDP assistant secretary general in Cairo, and so was able to develop an anti-governor front in the party's building on the Nile Cornice.

'Abd-al-Muhsin formed an opposition front comprising 27 People's Assembly and Consultative Council members and raised hell against al-Alfi, using in this effort Dr. Yusuf Wali and Kamal al-Shadhili, both of the NDP, and even the prime minister, who urged the deputies to show self-restraint.

The governorate divided into two groups. The first included the governor, heads of government departments, University President Raja'i al-Tahlawi, and three People's Assembly members—Muhammad Ahmad Husayn, and 'Uyun Nazir, and Murad al-'Aqali. The second included the rest of the People's Assembly and the Consultative Council members.

President Mubarak was right in keeping al-Alfi as governor of Asyut. Probably he was testing his mettle and steadfastness in the face of the pervasive corruption and terrorism in that governorate. When President Mubarak suggested to Dr. Wali, Ahmad Salamah, and al-Shadhili that they negotiate a reconciliation between the two sides, he was trying to relieve al-Alfi of the burden of [fighting] corruption.

With the arrival of Maj. Gen. 'Abd-al-Wahhab al-Hilali to assume command of security in Asyut, the focus moved from corruption to terrorism.

At the time in question, fires of extremism and terrorism were scorching everything in Dayrut. The exchange of accusations between the governor and the NDP secretary that they were contacting the extremists reached their height. Al-Hilali was an advocate of using an iron fist, but al-Alfi believed that the iron fist alone is not enough to control the governorate. He believed that al-Hilali should show a greater understanding of Asyut. Therefore, the clash between al-Hilali and al-Alfi was inevitable. The first trusts nobody. He believes only in his security ability and takes his orders only from [minister of interior] Halim Musa in Cairo. Al-Hilali used to work under al-Alfi in the Public Funds Administration, and the differences that bedeviled their relationship were evident. The second believes that the method of suppressing and starving people which al-Hilali adopts will lead to blood baths. Some 144 dead and wounded are victims of such baths. This is the highest casualties figures ever recorded in the governorate and is far greater than figures during the events of the directorate of security on 8 October 1981.

'Abd-al-Muhsin seized the opportunity to strengthen his ties with al-Hilali, to the extent that it is rumored in Asyut that he paid out of his own pocket for refurbishing the director of security's rest house after the governor refused to do so.

Once again al-Alfi found himself caught in a pincer's jaws. First he began with the policy of meeting the people. He went to Dayrut on foot and met with the people, despite the state of siege that has been on for more than one year. He urged them to reopen the shops and the markets. But shortly after he left pleased with what he had done, the telephone rang. He was told that al-Hilali ordered the closure of all the places that al-Alfi had reopened.

When al-Alfi rebuked al-Hilali for his attitude, al-Hilali asked that the governor sign a written contract that he would personally be responsible for maintaining security

in Dayrut, or leave the question of security to those who know about it. Al-Alfi left him alone, unsatisfied with his violent policy.

Once again al-Alfi asked al-Hilali to quit interfering with the Dayrut Sports Club, or open it for the young people to use for their activities. Al-Hilali refused to do so. He even asked the governor to pay the 800 pound telephone bill of the club, even though it was closed.

Al-Alfi refused to pay the bill because the club was closed. The officers used the telephone for their personal affairs and, therefore, the director of security should pay his officers' expenses.

Al-Alfi boycotted all the local council meetings. Previously at such meetings 'Abd-al-Muhsin, the NDP secretary, insisted on calling al-Hilali his dear friend. Al-Alfi asked al-Hilali to close al-Rahmah Mosque in the heart of Asyut, particularly since it has become a den for the extremists and a threat to life in Asyut. Al-Hilali refused to do so and asked 'Abd-al-Muhsin to contact the extremists through an extremist (the son of Murad 'Abd-al-Mun'im), who is a member of the People's Assembly for al-Baddari district, not to stage demonstrations inside the mosque. The two sides agreed that al-Hilali would allow the extremists freedom of action in the mosque in return for not shouting against him and dropping the nickname "butcher" that has been haunting him since he arrived in Asyut from al-Fayyum.

One of the last battles al-Alfi fought was in Asyut following the assassination of Major General Muhammad al-Shimi in the heart of the vegetable market in Abu Tij. Al-Alfi asked al-Hilali not to impose a curfew. It is enough that Dayrut, al-Qawsiyah, Manfalut, and Asyut are under curfew. He was told that the situation calls for patience and tolerance, particularly since the criminals are known to the security authorities by their names.

Al-Hilali once again refused and imposed a curfew on Abu Tij. Before a week passed al-Alfi was taking the constitutional oath as minister of interior to replace Maj. Gen. 'Abd al-Halim Musa.

The first thing al-Alfi did after taking the oath was to urgently summon al-Hilali and order him, in his capacity as minister of interior, to lift the curfew on Abu Tij, Dayrut, and Manfalut and to ease his security grip on al-Qawsiyah and Asyut so that life there could return to normal, and that he should withdraw his officers from Dayrut Sports Club.

Al-Alfi agreed willy-nilly. He is now awaiting a decision that would transfer him to another location.

The NDP members in Asyut, headed by 'Abd-al-Muhsin, who is now in al-Zahra' hospital for surgery, are awaiting the minister's decisions. Al-Hilali is waiting to leave his place, taking with him his iron fist, which he often shook in the minister's face.

It is quite certain that the new minister of interior's battle with terrorism and corruption is not over yet. Probably it is yet to begin.

### **Fear of Domination by Foreign Enterprises Cited**

*93AF0568D Cairo AL-AHRAM WEEKLY in English  
22-28 Apr 93 p 5*

[Article by Mahmud Wabhah]

[Text] Egypt has succeeded in implementing the first phase of its economic reform through the deregulation of exchange rates and foreign trade. Among the signs of success are the stability of the Egyptian pound, the lower inflation rate, the reduction of the national deficit and the increase in foreign currency reserves at the banks.

Egypt has now entered the second phase of economic reform, which the World Bank calls structural adjustment. This comprises the selling of public sector companies to the private sector, in the process commonly known as privatisation. The government has put approximately 20 profitable companies up for sale over the past two months and the final decisions with regard to the bidding will emerge in May. Via the banks and commercial brokers, the government has published price lists and terms of purchase. However, the government has placed no stipulations on who the purchasers may be, stating that offers are welcome both from Egyptians and non-Egyptians.

I believe that it is wrong to sell Egyptian companies to foreigners without restrictions or conditions and warnings of the detrimental short- and long-range consequences this would have on the Egyptian economy and the Egyptian consumer. One can cite numerous political and cultural reasons for opposing the sale of Egyptian companies to foreigners, such as the question of national control and sovereignty in light of a history of foreign intervention contrary to Egyptian national interests. However, in this article I shall focus exclusively on the economic consequences that warrant caution.

To put matters in their proper context, the process of preparing these companies for sale was accompanied by heated technical debate. It was decided that the companies would be sold through closed tenders. The companies themselves were assessed according to standard accounting principles that evaluate the volume of profit, the cash flow, the value of current assets, rates of substitution, etc. What many overlooked, however, was the fact that these companies have a virtual monopoly on their particular products and on their markets, that is to say that most of these companies control the greatest share of the market at rates that sometimes reach 100 per cent.

It is no wonder in this light that the U.S. has a department within the Ministry of Justice to implement anti-trust regulations. This department must be petitioned for approval to purchase any company whose value exceeds ten million dollars or which has more than a 10 per cent share of the market. However much we favour the free



market system, I do not believe we should be more capitalist than the Americans, where a competitive market is encouraged and monopolies are strictly regulated or sometimes prohibited.

The question now is who do we want to buy the monopoly companies currently for sale? Should we permit foreigners to buy them up? What restrictions on the sale will guarantee that foreign control over these companies will not come at the expense of the quality of goods and services, i.e., the Egyptian consumer, or hinder the development of local industries? Will profits be re-invested in Egypt or will they be siphoned off abroad?

There are already indications that many foreign firms have noted the advantages of the monopolistic nature of these companies and have begun to make bids and even prevent other parties from making bids. Under these conditions, the companies will be sold off at extraordinarily cheap prices and one suspects that the foreign buyers will further benefit by re-selling the companies they bought from the state to third parties and reap vast profits at the expense of the Egyptian economy, since these profits would most likely be transferred abroad.

I will provide two examples to illustrate the above. These are specifically the Coca Cola and Pepsi Cola companies. To be open and above board, this writer had intended to enter a bid for the Coca Cola company and in fact did so, with the commitment to retain the company's employees and increase investments in the future. It should further be mentioned that this writer is Egyptian although he also has American nationality. Coca Cola controls 40 per cent of the soft drink market in Egypt. Pepsi Cola controls 30 per cent of the market and the remainder is controlled by perhaps 10 other soft drink companies. In other words, Coca Cola and Pepsi Cola form a duopoly, as it is known in classical economic terms, and their control over the market will most likely increase when control over these companies comes under private hands with the freedom to use modern marketing methods and monopoly pricing policies.

Coca Cola International has exclusive franchising rights, which gives it the right to refuse to supply the concentrate used in bottling Coca Cola. When we tried to contact the company to enquire whether Coca Cola International would grant its franchise to the company that bought Coca Cola, Egypt, we learned that Coca Cola International was planning to buy all the shares of Coca Cola Egypt.

Then it would put Coca Cola Egypt on the market again and we would have to bid to Coca Cola International instead of to the Egyptian government. We also learned that this information was passed on to several other potential buyers, with the obvious implication that Coca Cola International is attempting to exclude all competition over the purchase of Coca Cola Egypt by threatening to withhold its franchise.

The problem is compounded due to the conditions for sale. These stipulate that the potential buyer has to

negotiate independently for the franchise rights, leaving the field open to Coca Cola International to determine who the buyer will be. Moreover, they stipulate paying a certain percentage of the offer which would be exacted by the Egyptian government if the purchaser did not manage to reach an agreement over the franchise rights. In other words, Coca Cola is guaranteeing that it will be the one and only buyer.

To cite another example, I also contacted Pepsi Cola International with the same enquiries and, as expected, I was told that Pepsi Cola International was planning on buying the Egyptian Pepsi Cola Bottling Company. It was clearly implied that Pepsi Cola had no intention of entertaining competition and that all potential competitors should clear the field so that Pepsi Cola International could set the price it wants. In fact, they added that Pepsi Cola International had the right to approve or oppose any sale or transfer of part or all of Egyptian Pepsi Cola Bottling Company and that it retained the right to dispose of some or all of its shares. In other words, Pepsi Cola International will be both the sole buyer and the seller of Egypt's Pepsi Cola company.

I wonder why we continue to imagine that the Egyptian government has any rights in the sale. How can it be in Egypt's interests for Egyptian resources to fall under foreign control, regardless of the pressures from the World Bank and the IMF? The sale of Pepsi Cola and Coca Cola are only two examples of a phenomenon that is more widespread.

### Meat Prices Hit Record Levels

93AF0568C Cairo AL-AHRAM WEEKLY in English  
22-28 Apr 93 p 4

[Article by Gamal Essam El-Din; quotation marks as published]

[Text] In the past month, mutton has risen from LE15 to LE17 per kilo, veal from LE13 to LE15, and beef meat from LE13 to LE15.

The rise in meat prices within a short period is not a new phenomenon in Egypt; it goes back to the early 1980s. According to Dr Mustafa Muhammad, a vet and general supervisor of a Ministry of Agriculture meat project near Alexandria, over the last ten years Egypt has seen two kinds of meat prices: friendly and obligatory ones. However, Muhammad adds, in the last few weeks there has been a new kind of meat price, this time determined by the capricious minds of meat dealers and butchers.

'Friendly' prices, according to Muhammad, go back to the 1980s when President al-Sadat officially decided to ban the slaughtering or sale of meat for one month, in an attempt to bring meat prices down (LE3 at that time). Later, he adds, the meat price was generally set at LE2.50 per kilo. Butchers, however, daunted by the low prices, defied the decision. The Ministry of Supply intervened to reach a 'friendly' secret agreement with butchers not to push meat prices higher than LE4.50. However,

Muhammad assets, prices kept increasing over the 80s to range from LE7 to LE9.5 in certain areas.

According to Dr Mahmud Musa, a senior agricultural researcher who conducted a study on the problems of the meat market in Egypt, the constant rise in meat prices in Egypt in the 80s was largely due to banning the importation of calves, a decision which denied the Egyptian market of a meat source which used to meet more than 50 per cent of its needs.

In the meantime, reveals Musa, cow and buffalo breeders in Egypt were facing a decline in subsidised animal fodder delivered by the Ministry of Agriculture, which wanted breeders to deliver their calves to it according to the old system. This led to the slaughtering of new born male buffalo and cow veals (in the pre-weaning period) by the majority of breeders, who then sold to private butchers, a habit that seriously threatened Egypt's meat resources.

In 1985, the Ministries of Agriculture and Supply decided to launch a joint veal project whereby the two ministries intervened by subsidising fodder and sale prices. According to Musa, this project has helped to stabilise meat prices over the last seven years at around LE9 per kilo.

However, problems arose between the two ministries. 'Abd-ul-Dahab announced last year that his ministry will withdraw from the veal project. In his speech before the Shurah Council last December, he said his ministry was obliged under the veal project to buy meat at the subsidised prices of LE4.10 while quantities already sold on the market were LE3.40 per kilo. According to 'Abd-al-Dahab, his ministry spent as much as LE350 million on the veal project.

Most market research assures that the recent rise in meat prices is yet another expression of the conflict between the Ministries of Agriculture and Supply.

Though Dr Wali, the Minister of Agriculture, announced last October that a new veal project would be implemented to curb any likely meat price rises, no real action has as yet been taken.

To make things worse, says Dr Ibrahim Sidiq from the Principal Bank for Development and Agricultural Credit (PBDAC), the rise in meat prices means a rise in fodder prices. Over the last several weeks, the price of flour bran (70 per cent of animal fodder) greatly increased to set a record from LE225 to LE325 per tonne, while lifting fodder subsidies fuelled their prices to LE400 per tonne.

Until conflicts between the two ministries are settled, consumers will have to remain standing in long queues at consumer cooperative shops to have their own share of the cheap imported meat which inundated the market following the halt of the veal project.

According to Dr Mustafa Muhammad, while the price of imported meat ranges from LE4 to LE7, cooperative shops sell it at LE9 on average. Egypt used to import around 120,000 tonnes of meat to cover the gap between

production and demand. Today with the end of the veal project, meat imports are double this figure.

However, as experts agree, an urgent national action is needed to launch a new veal project, not only to protect the national meat wealth, but also to protect low-income consumers from further sudden price increases.

### Moral Corruption Viewed as Source of Extremism

93AF0578B Cairo AL-NUR in Arabic 21 Apr 93 p 9

[Commentary: "True Sources of Terrorism, Extremism"]

[Text] We read and hear a great deal about the need to dry up the sources that nurture and cultivate extremism.

It is correct to call the term "terrorism" false, when we recognize (by looking closely at its intensity) the facts of that source, about which the dialogue is concerned and about which the discussion increases.

Is the source the Muslim Brotherhood, as the Communists say and the secularists insist?

Or is it the statements of Shaykh al-Sha'rawi, which the Muslims love passionately and millions listen to, in spite of those who hate. Or is it the sermons of Shaykh Kashak, which strike at the oppressors' thrones, destroy the godless' strongholds, and strip away the veils of the hypocrites and the deluders?

Or is it that firm, brave stand of the shaykh of al-Azhar University against any measure that is against the creed or that slanders Islam? Or is it the religious education programs, before the aggressors attacked them? They do not heed the Koran's words: Do you then believe in a part of the book and disbelieve in the other? What then is the reward of such among you who do this, but disgrace in the life of this world, and on the day of Resurrection to be sent back to the most grievous chastisement. And God is not heedless of what you do. (al-Baqr, 85)

Or is the source the radio station broadcasting the Koran, which is being hindered and choked off under the slogan of "correcting the course?" Or is it all of this and that, as the haters claim?

Any reasonable, fair man, or inquiring mind, or careful observer, certainly knows that those charges are false. That person only has to look around him, sincerely and honestly, to see the true source and to erupt with outrage and revulsion, as it unleashes extremism and terrorism without distinction.

That source is the cabarets on al-Haram Street, with their naked dancers and drunken patrons, and the seduction and shamelessness that goes on there. It is the theaters of comedy and nonsense, films of passion and erotica, series of sex and violence, parties of dancing and fondling, public displays of wantonness, repulsive and vulgar contests called—mistakenly and erroneously—beauty contests, and [words unclear] puzzles called—falsely and slanderously—Ramadan puzzles.

The source is the vulgar books and licentious magazines, with pictures of harlots. It is the painful torture that Muslim youth receive in prisons and detention camps. It is the savage confrontation and vicious opposition to the Islamic movement.

### Article Cites Critics of Syndicate Law

93LD0005B Cairo AL-NUR in Arabic 17 Mar 93 p 7

[Article by Majdi Zalam]

[Text] Islamists are taking part in journalists' and teachers' associations elections. These elections are being held in a tense atmosphere in which the new law, the 1993 Law Number 100 for professional syndicates, which was drafted by the government of the National Party, is facing total rejection by intellectuals and politicians that believe in democracy and freedom of speech as the way to elevate the nation and protect its security and stability economically and politically.

This law does in effect nationalize syndicates. It breaks up their activities, and it blocks the path of every patriot striving to achieve something for the interest of his people and his country. The law stipulates that 50 percent of a syndicate's members must be present for an election in order to make the election valid. If that does not happen, the election must be postponed for 15 days, and 33 percent of the syndicate's members must be present to make the election valid. If that does not happen the second time, the election is postponed, and an interim board for the syndicate is appointed, which is overseen by the courts. This law disrupted conditions in all professional syndicates, especially in those, like the journalists', the scientists', and the teachers' syndicates, which are now getting ready to hold elections.

We went to the professional syndicates to find out first-hand what the situation is and to find out what the syndicates' positions are on the new law. Will this new law have an effect on the time for holding elections? And what is the future outlook for the overall situation in the syndicates?

### The Bar Association

We started with the Bar Association where Mukhtar Nuh, the association's treasurer, says, "We reject this law in form and substance. We prepared a constitutional study, and we distributed it to all professional associations, specifically to professional syndicates. A group of jurists and lawyers took part in preparing this study." Mukhtar Nuh adds, "We think this is a cause worth struggling for."

About syndicate elections Mr. Nuh said, "The elections of the Bar Association are held all at once. We won't have another election for four years."

### The Engineers' Syndicate

The position of the Engineers' Syndicate was indicated by its general assembly, which affirmed its total rejection

of the law. Engineer Hasaballah al-Kafrawi, the president of the syndicate, received a no-confidence vote from the syndicate's general assembly. The engineers described this law by saying that it would contribute to the destruction of guarantees regarding the democratic characteristics of professional syndicates.

Dr. Muhammad 'Ali Bisher, the syndicate's secretary general, said, "The syndicate works within the boundaries of law and legitimacy. Elections have been postponed until the court rules on the constitutionality of the suspect law."

### The Scientists' Syndicate

In the Scientists' Syndicate we met Dr. 'Abd-al-Fattah 'Abd-al-'Al, president of the Physics Chapter and assistant secretary for activities. Dr. 'Abd-al-'Al, who is the candidate of the Islamic Voice in the syndicate's Physics Chapter, spoke on the record and indicated his objection to the law. "This law is considered an impediment to any activity that would serve citizens and professionals alike, because requiring the presence of 50 percent of the membership at an emergency meeting of the general assembly is a condition which is impossible to meet."

Dr. al-Sayyid 'Abd-al-Sattar al-Miliji, secretary general of the Scientists' Syndicate, says, "As a scientists' syndicate we reject the law in form and substance. The law was rejected at an emergency meeting of the general assembly that was held specifically to consider it. One of the reasons cited for rejecting the law is the impossibility of applying it, from a realistic standpoint. Furthermore, the law does not strengthen democracy, not to mention the fact that having judges appoint a professional syndicate's board would put an end to that syndicate's professional capabilities."

Dr. al-Miliji has this to say about the syndicate's position on the run-off elections: "We insist on rejecting the new law. The syndicate has accepted applications from people who want to run for office, and most of the measures were completed before this arbitrary law was issued. And yet, the syndicate has postponed the elections until a court ruling on the new law is issued. That has led syndicate members who are running for office in the election to file suit in court against the syndicate for unduly postponing the election. They maintain that they are not subject to the new law. The matter is now pending until a court ruling is issued giving the syndicate the right to hold the election in accordance with the old law. We are hoping that this will happen in the next 15 days."

Dr. al-Miliji adds, "We will not yield to the new law, and we will consider the matter in a different way until the constitutionality of the law is challenged."

### The Teachers' Syndicate

In the Teachers' Syndicate we met 'Abd-al-'Azim Zayid, the syndicate's secretary general. He affirmed that as far as the teachers' syndicate is concerned, there is nothing new in the law because "Article 55 of the Scientific

Professions Syndicate Law, Law Number 79 for 1969, and all amendments to it made by decree contain the same stipulations that are contained in the new law, Law Number 100 for 1993. These laws require that 50 percent of the members attend an election. That is why the syndicate's position has been one of equanimity. The new element in the new law, however, is that of having the syndicate's board appointed by judges."

About the elections Mr. Zayid says, "We will have mid-term elections and elections for choosing the presidents of syndicate chapters next 29 March. Also, general elections will be held in the syndicate to choose half the members [as published] as well as the president." He added, "The goal of the syndicate is to serve education and teachers without getting involved in all kinds of partisan and factional issues. After all, we are responsible for future generations who will have the task of raising the standards of the people." AL-NUR has learned that a large number of Islamists were elected to serve on syndicate committees in elections which were held recently. They will take part in the syndicate's chapter elections and in its general elections as well.

## ISRAEL

**Reporter Views Meeting With 'Arafat in Vienna**  
*93AA0079F Tel Aviv YEDI'OT AHARONOT in Hebrew*  
*19 May 93 p 7*

[Article by Shosh Weitz: "'Arafat: Why Do You Not Relate To Me as a Person?"]

[Text] On Monday evening I was supposed to visit the Vienna Burgtheatre. I did not get to the theatre, and there is no doubt that I missed something. But I won the most exciting show in town. In the luxurious Imperial hotel a group of Israeli journalists, including myself, met with Yassir 'Arafat and members of the PLO leadership.

The meeting could be defined as "a meeting of neighbors." We and 'Arafat live in the same hotel. Not exactly under the same conditions, but in the same framework, which allowed us to approach the spokesman of the Palestinian delegation and to request a meeting.

To tell the truth, we did not pin great hopes on this request. Up to this day, 'Arafat is careful to meet with Israeli journalists in restricted frameworks. A meeting with one or two journalists, no more. But in Vienna, the impossible occurred. Within two hours, we received a positive reply, and the meeting was held in the luxurious hall, decorated with pictures from the Baroque period, which is on the first floor of the Imperial.

'Arafat and his people arrived at the meeting after a long day that was filled with meetings with the leadership of the Austrian regime, but despite the fatigue, they made an effort to have a pleasant and relaxed meeting, and to break down barriers.

By profession I am a theatre critic, not a reporter on political affairs. It may be that a political reporter would have noticed fine nuances that I missed. On the basis of a general impression, I can say that I did not indeed hear anything new, but I learned a great deal. If that is what the Palestinians wished to achieve by this meeting, then from my viewpoint they succeeded.

'Arafat opened the discussion in a good spirit and joked about his unsuccessful attempts to learn Hebrew. Other Palestinians who were present in the room were fluent Hebrew speakers. One of them was the Israeli Arab poet Mahmud Darwish, who left Israel 10 years ago.

Darwish resides in Paris, and they say that he is designated to be the minister of education and culture in the Palestinian state, if and when it arises. He not only reads and writes Hebrew, but also is well-acquainted with the Israel press, including the local newspapers.

The conversation with Darwish was one of the many conversations, short but captivating, that we held in the course of the evening with 'Arafat's people, mainly with Yassir 'Abd-Rabo, who is responsible for the PLO's propaganda, who turned out to be a brilliant conversationalist and very charming.

'Arafat himself spoke with great pathos, and did not deviate from his regular and known style. He called for peace for the sake of the children on both sides, and spoke with great bitterness about how the Israelis speak about peace, but continue to ignore the Palestinians. "Finally we sit together in talks," said 'Arafat, "but the chief of the Israeli delegation, Elyakim Rubinstein, does not use the terms 'the territories' or 'the West Bank,' but rather continues to use the expression 'Judaea and Samaria.' He also does not speak about relations between Israel and Palestine but rather about 'Palestinians,' as if the subject were a group of persons without an identity and a definition."

This sensitivity, to formulas and to the status of the Palestinian Council, comes up throughout the conversation. 'Arafat appeals to the emotions and flatters our wisdom: "After all, you are so intelligent and enlightened. Why do you not learn that it is impossible to rule forever by means of force? Why do you not relate to me as a person?"

The appeal to the emotions is a very prominent line in 'Arafat's style. He used figures of speech throughout the evening and replied to questions with questions of his own. Thus, for example, he said to us that we, the Israelis, are corrupting Judaism because we have become conquerors.

"Jews," he asserts, "never conquer."

"True, we were always victims," one of my colleagues replies to him.

'Arafat becomes angry and charges that we have not been victims for a long time already. His voice rises, and he

notes slain children in the territories. Basa'am Abu-Sharif, his political adviser, who sits behind him, puts a hand on his shoulder and calms him.

'Arafat's people really protect him. Every time that it appears to them that his wording sounds too sharp, or that his English is insufficiently clear, Yassir 'Abd-Rabo breaks in and corrects him with clear and polished wording. In contrast to 'Arafat, who expresses himself with pathos and in figures of speech, 'Abd-Rabo represents realism and wisdom.

'Arafat was asked whether he will succeed in imposing the peace agreement on Hamas, if and when it is signed. His answer: "The Hamas is our problem. It is not your affair. You have a transfer, we have Hamas. We are sufficiently mature to solve this problem."

'Arafat accused Rabin of cultivating the Hamas during the period when he served as minister of defense in the unity government. According to him, the expulsion also increased the prestige of Hamas: "You took 450 persons, threw them into Lebanon, and made them into heroes, but I can get along with these heroes. When they tried to raise their head in Gaza, I taught them a lesson. I forbade them to act alone, and they accepted this."

'Arafat's voice rises. 'Abd-Rabo, as usual, calms him. He intervenes in the conversation and relates the failures of the Hamas in the elections to the various local organizations. The message of 'Arafat and 'Abd-Rabo is clear and unequivocal: "The Hamas has less strength than the Israelis think, and the Palestinian Council is capable of handling them."

'Arafat's method is to answer a question with another question. When he is asked, for example, why he presents things in the style of "all or nothing," he replies: "Where is it heard that in negotiations one delegation will dictate to another how to call itself? Why do you try to humiliate us?"

'Abd-Rabo intervenes again: "We do not speak about 'all or nothing,' but you do not propose to us anything that can encourage us. You are playing a seemingly naive game with us, and what you give with one hand, you take back with the other. We, too, have fears and apprehensions like yours."

From our side, a gesture is requested: a declaration of the cessation of terror for the period of the talks.

'Abd-Rabo: "Remove the army from the populated areas. I promise you that if there will be no army, they will not fight against it." This time, it is 'Arafat who intervenes. He proposes "separation of forces." For a moment, it seems to me that he is speaking about something new, but it turns out that he and 'Abd-Rabo are talking about the same thing.

The conversation slides into questions about the quarantine and the investments in the territories. Both sides become tired. It is already clear to all of them that no peace agreement will emerge from here this evening. 'Arafat gets

up to go, and in his wake all the others. Next to the door, 'Abd-Rabo says to us quietly: "You must understand that we are ready today to compromise, but you must accept the minimum on which we are insisting. It is too bad that you are using incorrect tactics. It seems to you that you will get more out of us if you engender conflict between the Palestinians in the country and those who are in exile, or between the various factions in the country. But you do not know us. The Shabak knows a lot about us, but you do not understand how our head really works."

Before the lights are turned off, I ask 'Abd-Rabo whether he is optimistic. He replies with a smile. According to him, within a year or two some agreement will be signed. Mahmud Darwish also is optimistic. Both sides, he says, know that they do not have a choice.

### Ambassador Interviewed on Growing Relations With India

93AS0837Z Calcutta SUNDAY in English  
1 May 93 pp 64-65

[Excerpts from an interview with Israeli Ambassador Ephraim Dowek by Ketan Narottam: "Israel Will Help India To Tackle Terrorism"; place and date not given]

[Text] SUNDAY: It has been over a year since India established full diplomatic relations with Israel. What would you say is the most significant thing that has been achieved so far?

Ephraim Dowek: The most significant thing achieved is the establishment of embassies in both the countries. Secondly, the exchange of important missions. Indian delegations from the Confederation of Indian Industry, ministry of agriculture, solar energy, etc., have visited Israel. Similarly, many Israeli missions have come to India.

But more important, we are in the process of putting the final touches to a series of agreements in various fields like civil aviation, science and technology, agriculture, prevention of double taxation and culture. Last year, Indo-Israeli trade touched the \$100 million mark, which represents a 30 per cent increase over the year before. We may not see eye to eye on various matters, but at least a dialogue between the two countries has been established.

SUNDAY: Critics say that after the initial euphoria of establishing normal diplomatic relations, the momentum has slowed down.

Ephraim Dowek: I don't think that there was ever an euphoria. And I do not think that it has been an anti-climax. Things have to proceed step by step. It is a complicated process.

SUNDAY: Some time back, an Israeli defence delegation had made a visit to India. What has been the nature of cooperation in the defence sector?

Ephraim Dowek: It was not a defence delegation. Rather, it was a team of military industry personnel from Israel that visited India. The visit was not meant for signing agreements. It was just an exploratory visit. The delegation wanted to know what India could offer and what India needed. I do not have the details.

**SUNDAY:** India and Israel face a similar problem in terrorism. Do you think the two countries could cooperate to tackle the menace?

Ephraim Dowek: All enlightened nations should unite to tackle terrorism. In fact, this is one area where India and Israel will be cooperating. We have to eradicate terrorism, which has become the plague of 20th century. There are some countries which are encouraging terrorism. Not only are they encouraging terrorists, they are also providing shelter to them. The nations which face terrorism should not yield to blackmail. Blackmail is another form of terrorism.

Though we have been criticised for expelling 400 people recently from Israel, we stand by what we did. The expelled men were all terrorists belonging to the Hamas organisation. Hamas is one of the most dreaded terrorist organisations in the world financed by various international terrorist groups. India and Israel see eye to eye as far as combatting terrorism is concerned.

It is unfortunate that even after 47 years of establishment of the United Nations, terrorism has not been properly defined. Whatever be the cause, terrorism cannot be justified. No matter what the cause is, you just cannot justify any form of terrorism. Some call a terrorist a freedom fighter. But as far as I am concerned, he is a plain murderer.

**SUNDAY:** Some time back, there was a proposal of using India and Israel on both sides of the Middle East to act as barriers to contain Islamic fundamentalism.

Ephraim Dowek: The countries which face the maximum threat from Islamic fundamentalism are the Islamic countries themselves. Fundamentalism will set them back by more than 500 years. The Islamic countries should contain terrorism. What is happening in Algeria and Egypt? They understand that the danger to them is bigger than anybody else. It is for each country to see that terrorists do not achieve their objective. It is not for India or Israel alone to check the rise of Muslim fundamentalism.

**SUNDAY:** What is the Israeli view of nuclear proliferation? According to American newspaper reports, Pakistan and Iran are collaborating in the field of nuclear technology.

Ephraim Dowek: Our viewpoint is the same as that of India—that there should be no proliferation of nuclear devices and everything should be done to remove the nuclear proliferation threat. It could be a multilateral or bilateral effort. It could also be at a regional level: it should be ensured that all weapons of mass destruction in each region are removed.

Countries like Iraq have signed the NPT [Nonproliferation Treaty] but they have not adhered to it even for a minute. We are closely following what has happened in this region (South Asia). In our area, when we found that the situation threatened our survival we did not hesitate

to act. Everybody knows what happened in Iraq (referring to the Israeli bombing of Iraqi nuclear reactors). Life is more important than anything else. We will act wherever we are directly affected by the danger.

**SUNDAY:** You have been quoted as saying in Calcutta recently that a weak Israel means a weak India. Can you elaborate?

Ephraim Dowek: I have not made such a categorical statement. I have said that we in Israel have realised that a weak India will mean a weaker Israel. India and Israel are confronted with similar problems (like Muslim fundamentalism, nuclear proliferation, etc.). If one democracy falls, obviously the other democracy will face problems.

**SUNDAY:** What role do you see for India in the ongoing peace talks between the Arabs and the Israelis?

Ephraim Dowek: India is participating in the five multi-lateral committees of the peace process. We feel that the India's contribution will be significant. We also hope that the stalled peace process will restart as soon as possible. The Arabs stopped negotiations long before the deportation. Anyway, it's all a part of the haggling. I am confident that the talks will start soon.

**SUNDAY:** What is Israel's stand on Kashmir?

Ephraim Dowek: Israel never interferes in the internal affairs of any country. Kashmir is a part of India. And I am the Israeli ambassador to the entire Indian Union which includes Kashmir.

#### **Likud Success Requires Changes in Camp David Accords**

*93AA0079B Tel Aviv YEDI'OT AHARONOT in Hebrew  
16 May 93 p 3*

[Article by Aharon Papo: "It Is Time for a Withdrawal From Camp David"]

[Text] A new leader, a new congress, 70 percent of new members at the convention, new delegate kits, and a new opposition. Almost everything is new in the Likud. What is still old and in need of immediate renewal are peace formulas similar to that of Camp David. Without changing them, there is no chance for the Likud to be a real alternative for government: it is difficult to identify the differences between the foreign and defense policy of the old Likud, and the policy of the government of the left-ultra-orthodox Arabs. There were, indeed, nuances here and there. Shamir attempted to evade fulfilling Begin's promises in the Camp David Agreements, while Rabin is pounding forward like a locomotive in order to realize them. But in general, the two parties are still going on the same path of realizing Arab autonomy that must necessarily become a state.

If the language of the old Likud, which preceded the election of Netanyahu, is so similar to the political

language of the Labor Party, what point will the public see in a change of government.

The Likud congress is the proper forum where Netanyahu must attempt to make decisions in this direction. The only fear in the Likud that prevents a withdrawal from the path of withdrawal that Begin laid down is the memory of Begin. But with all due respect to the memory of the leader, the future of the state is more important.

### Shin Bet Surveillance of Settlers Discussed

93AA0079E Tel Aviv YEDI'OT AHARONOT in Hebrew 19 May 93 p 13

[Article by Hayyim Shibi: "The Shabak Is Listening in on Our Telephone"]

[Text] "I hear noises on the line. Both on my telephone in the house, also on the cellular telephone. Internal information also has reached us. There is a directive from the chief of the Shabak to listen in on us. We want to meet him—and he does not want a meeting. This is a delegitimization of the Jewish leadership in Judea, Samaria, and Gaza." The speaker, Gabi Butbul, head of the Karney Shomron local council, voiced his complaint yesterday in the Knesset [MK] Constitution, Law, and Judiciary Committee, and described it as "a cry to stop."

Butbul spoke at a session that was open to the media, in the presence of the legal adviser [to the government] and the state attorney. Beginning this week, the Knesset opens to the television cameras, for a trial period, also the deliberations of the committees. The session yesterday in the committee, headed by Dedi Zucker (MERETZ), attempted to define the red line of the movement against withdrawal in the territories: when it becomes a revolt, an underground, when talk—also of MK's—becomes incitement and incitement to rebellion?

Gaby Butbul does not look like a leader of an underground that is planning for a civil war. He said quietly: "Come to us. Speak with us. Explain to us what will happen in the autonomy." But the light of the cameras immediately heated up the room. Members of Knesset, also from other committees, came to the room and asked for the right to speak. The discussion became tension-filled, emotional, sometimes political. Haguy Merom immediately provided the first "item."

Merom: "This morning I submitted a request to the legal adviser to investigate the behavior of MK Hanan Porat, and whether it is necessary to put him on trial. I attached a text of Porat's words. If a member of Knesset says explicitly that it is not legitimate for the government to make a decision on the evacuation of territory without elections—that is for me serious incitement."

It was a day in which appeals flowed to the legal adviser to expose, to denounce, and to punish those who were described as inciters to rebellion and organizers of underground cells. Ron Cohen (MERETZ) called on

Harish to order an investigation and examination of the comments of Ari'el Sharon at the Likud congress.

Cohen: "From the words of Sharon, who says that it is forbidden to include Israeli Arabs in a diplomatic decision, there would appear to arise a suspicion of offenses of incitement to rebellion and to racism." N'omi Hazan (MERETZ) announced that she had asked Harish to examine "suspicions against reserve officers of organizing a private police force in the territories."

Harish and State Attorney Dorit Beynesh appeared in Zucker's committee room as actors who were put on stage to say their lines in a filmed play that they did not produce. But Harish provided the committee with a first formulation of what is permissible and what is forbidden: "It is inconceivable that a member of Knesset will call for rebellion, because it is inconceivable that the Knesset would regard incitement to rebellion as part of its role. The act of incitement to rebellion will neither be forgiven nor atoned for, and this applies also to an MK."

What is "incitement to rebellion"? Harish took care to stress: "To shut mouths—that contradicts our experience. If silence will be imposed on persons, it is liable to find expression in acts." State Attorney Dorit Beynesh also immediately cooled off Merom's ardor, although she did not refer directly to his appeal to Harish.

Beynesh: "Members of Knesset frequently send letters about other members of Knesset, as if they were a subject for a criminal investigation. I do not know whether the practical solution is to address the legal adviser and to demand investigations."

Assistant to the legal adviser Yehudit Karp put it in her own style: "The attempt to set a boundary between the forbidden and the permissible raises the question what the members of Knesset themselves regard as legitimate."

Dedi Zucker explained: "They say to us: do not throw everything on the legal adviser. You yourselves are not defining the border."

Merom: "Does the state attorney's office have other proposals? In the name of freedom of speech you legitimize everything that an MK says?"

Now Ron Nahman (Likud), the head of the Ari'el council, burst out: "I am announcing to you here in the committee: we will not leave settlements. I do not know what I will do if they bring cannons opposite my house and tell me to leave it. The street put you into the government—the street will bring you down. Declarations are not enough, operations are required, and they will be in the street. You talk about incitement to rebellion? What about incitement? My daughter, six years old, has to hear that she is a mitnahabelet [combination of settler and terrorist]?"

Avraham Poraz (MERETZ) was the first to throw into the room the pair of harsh words "civil war": "It is clear to me that there will be a kind of a Jewish Hamas, which

will not accept the government's decision. The question will be whether this will be a crazy marginal group, or whether this will simply be civil war."

Yitzhak Levi (NRP [National Religious Party]) dispelled fears: "It is clear to me that all of us will obey the law, including Hanan Porat. You want to present him as an inciter to rebellion? That is a lie. He was the first who came out against the underground. There will be no civil war here. But know this: we will do everything to bring down the government, and bringing down a government is also pressure in the street."

### Economy Said 'Most Successful' in Western World

93AA0069B Tel Aviv HA'ARETZ in Hebrew  
11 May 93 pp 4-5

[Article by R. Lipschitz: "I Am Optimistic"]

[Text] The discussion over the suggestions of Minister of the Treasury Avraham (Bayga) Shohet on the position of banks in the Israeli economy is defined by him as the most important economic discussion to be held in Israel in recent years. Along with enormous systems of pressure, he has been compelled to contend with a piercing public discussion that is being held on the pages of the newspapers, that has also included assessments and harsh articles of criticism. Many cast doubts on his daring to execute an unambiguous, in-depth analysis in the world of domestic banking, with a goal of increasing competition in the capital market. Even the steep rise in bank profits, which is partially the result of the rise in the price of bank fees, aroused criticism and troublesome question marks. Is the Israeli economy returning to the days when the tone was dictated by the banks and not by the export industry?

Minister of the Treasury Avraham Shohet says that he believes that the trend is completely the opposite. He is brazen in his opinion to continue the processes of liberalization and exposure for the import of the Israeli economy. On the way, a number of revolutions in the realm of taxation and stimulating exporting await, while in the background the Treasury clerks anticipate the first data that will herald the start of the process for the reduction of unemployment. In a special interview for this supplement, he claims that if we examine the numbers well, we will discover that Israel is currently one of the most successful economies in the Western world.

[Shohet] Israeli exports grew by 10.5 percent last year. In the first three months of this year, Israel's industrial exports grew by 12.5 percent, and exports of the metal and electronics industries rose by 21 percent. These numbers express a real improvement in the economic conditions that determine the Israeli industry's export capability.

Last year, the rate of growth of our national product was 6.5 percent, and this year, we estimate that it will be 4 or 5 percent. Most of the growth is in the industry and

services sectors, while there were declines in the construction branch. That is, we are referring to a significant process that, in the end, will influence the creation of new jobs.

[HA'ARETZ] The state of Israel is economically independent?

[Shohet] The state of Israel is not independent, and the proof of this is the grant in amount of \$3 billion that it is receiving from the United States, an amount that is approximately 9 percent of the current annual budget. The state does two things with this money: repayment of debts and financing defense. Of this grant, \$1.2 million is economic assistance, and from it we are repaying debts from the past to the extent of \$1.1 billion. If we relate to defense as such a central component in the state budget, then we are definitely leaning on the grant. Because of Israel's geopolitical situation, it must invest about 9 percent of its budget in defense, in contrast to 1.5 or 2 percent that is customary in other countries. However, the more the economy grows, the more our dependency on the American grant will decrease.

[HA'ARETZ] Is the Treasury preparing a massive program to encourage exports?

[Shohet] Our policy is intended to create the atmosphere and to give the tools to stimulate exports. We have a small economy, and we want a high product; therefore, we need to lean on exports, because the chance to reach economic independence is concealed in it. In order to guarantee the profitability of exports, we must take a number of actions in the macro-economic level, such as effecting a flexible policy that makes possible the preservation of a real rate of exchange and the preservation of the salary frameworks in the economy.

We are now reorganizing the entire setup of emissaries abroad. We have reached an agreement with the Ministry of Commerce and Industry concerning the joint operation of Israeli emissaries throughout the world. The two ministries are coordinating their operations and are reallocating them. In the new setup, the emissaries will deal with issues of investments, which used to be handled by the representatives of the Ministry of the Treasury abroad, as well as with issues of trade, which used to be in the realm of the representatives of the Ministry of Commerce and Industry. This setup is designated to draw investors, to cultivate markets for the Israeli product, and to serve as a mechanism to attain business information for Israeli exporters.

We are now dealing with the establishment of a new marketing fund that will aid exporters in building aggressive marketing setups and to break into new markets. We are prepared to undertake risks. Similar to the aid that the lead scientist gives to research and development programs, we are aiding manufacturers and, in the case of success, they will return the investment to us.



[HA'ARETZ] The government authorized a great deal of aid to Intel, but, despite this, only a few multinational companies have been coming to Israel.

[Shohet] Intel did not receive money. We said, the Minister of Commerce and Industry and I, that we would recommend giving aid to Intel. But, along with Intel, other high-tech companies exist in Israel: National Semiconductor, Digital, Motorola, Microsoft are now coming into Israel. A month ago, I arranged a tour in the United States, and I met with 67 very large companies, including Apple, and all of them expressed interest in Israel. The multinational corporations recognize the capability of Israeli manpower and its cost. Just this week, an investor was with me who represented a \$2-billion Japanese company and who invested in seven Israeli companies. I asked him what brings him to Israel, and he answered that it is the positive experience that he has had with Israel and with Israeli workers.

It could be that other companies have not come to Israel for political reasons, although my perception is that recently, there has been movement in their relation to us. The political process has enormous influence on our chance to attain growth. A state of peace, or even the hope for peace, or chances for interim arrangements, will directly influence the state of the economy and the preparedness to invest here. It seems to me that the realization of the enormous interest that exists in the world depends primarily on this factor.

[HA'ARETZ] What changes have occurred in the Israeli economy since the elections?

[Shohet] In the past nine months, dramatic changes have occurred. In the beginning, when I spoke about the fact that the new government must invest a special effort in the development of the base, even some of the party members were very doubtful. But, already today, they are starting to sense a change, for example, as in the expanded work being implemented on the roads. In three more years, we will get a different country, from the aspect of the road system, water, sewage, and electricity. We are referring to a multiyear, \$2-billion program, which will draw investors to Israel and will improve the quality of life.

A second preference was given to education. We are in the midst of a very serious process that will bring about a reversal in education by adopting the Harari report on scientific and technological education, conducting a long school day, and five days of school per week. At the end of the process, an annual budgetary base will be accepted by the Education Ministry that is 800 million shekels greater than its current budget.

The education system, I hope, will influence the economy to change to a five-day work week, aside from service providers. Friday is too short a work day, very expensive, and not productive. In contrast, a two-day weekend greatly improves the quality of life, and in the Western world, the conclusion has also been reached that this is how we should live. In the past, there had been a

decision to change the economy to a five-day work week, but it was halted, and I hope to continue the process.

An additional area in which we will effect a significant change is in the taxation system. In the past year, we lowered taxation by more than 1 billion shekels. We established a superior taxation committee, and its conclusions must be received at the end of May. After I receive the report, I will present the recommendations to the government.

[HA'ARETZ] What will be the problematic areas?

[Shohet] There will be complicated problems, such as Qupat Holim [health insurance program], the defense industries, the banks. I would say that we have not succeeded in accelerating the pace of privatization of government companies; I would like to see a faster pace.

[HA'ARETZ] In the 1990s, do we need to update the term "economic independence"?

[Shohet] Usually, the index for economic independence depends on the question of whether you are being helped by a foreign element for your survival. The Israeli economy is not dependent on a foreign country; it has a high manufacturing and export strength. There is talent, knowledge, and superior manpower. Currently, in my opinion, indexes, such as product growth, technological capability, the scope of research and development, and a command of advanced technologies, express the level of economic independence of a national economy much more than its balance of payments. For, apart from the balance, it is very important what type of economy is being measured by it. Israel must be in the first rank in the world in its technological and scientific capability; they will determine if we will be a developing country or a developed country with a high product.

Shohet is very optimistic. He comes to life when he speaks of the future of the Israeli economy, in contrast to his eyes that impart great weariness from excess hours of work. The numbers hint at a rise in the national product, and he hopes that, finally, a trend of a decline in unemployment will start to be indicated, the scope of which has ceaselessly grown in the past eight years. He hopes that the government will uphold all of its decisions to invest in the base and to free the economy from the bonds of a centralized economy. Even the peace process, as stated, has an economic scope, and he assumes that if the political process takes flight, the Israeli economy will be very tempting in the eyes of foreign investors.

#### **Analysis of Water Sharing Within Autonomy**

*93AA0069A Tel Aviv HA'ARETZ in Hebrew  
16 May 93 p B2*

[Article by H. Gewirtzmann: "Two in the Same Bath-tub"]

[Text] The Palestinian water authority, which is to be set up in the framework of the autonomy, with which we will

jointly administer the water sources—of what nature will it be? What will its powers be? Will it be parallel to the water department of the municipality of Tel Aviv, for example, or will it be like the water commission in the Ministry of Agriculture?

If the Palestinian water authority will be like the water department of the municipality of Tel Aviv, it will be in charge of the distribution of water to consumers, it will determine the allotments, and will collect the payments. As any municipal authority or local council, it will receive the "end of the pipeline," and from there on, it would be in charge of the distribution of water. According to this possibility, the agreement of "joint administration of water sources," which was presented in the peace talks in Washington, means that the Palestinian water authority would administer the distribution of water with "sources."

If the Palestinian water authority would be like the water commission in the Ministry of Agriculture, it would have the authority to make new water drillings, to increase pumping from existing wells, and to plan and construct additional water works. According to this possibility, if so, what is the "joint administration of water sources" that was agreed upon in Washington? In order to answer this question, I must preface and explain the hydrological structure of the underground water in Judaea and Samaria, or, as it is termed in professional jargon, "the mountain aquifer."

The rain that falls in the mountains of Judaea and Samaria permeates the ground and rocks and accumulates in the perforations and cracks of a few geological layers. Beneath the ground, most of it flows westward, in the direction of the coastal plain, and a small portion of it goes northward, in the direction of the valleys (Jezreel, Harod, and Beyt Sha'an), and eastward to the Jordan Valley. The lion's share of the water is pumped by Israel in the coastal plain, in the Sharon, and the northern valleys. Of the 600 million cubic meters supplied by the underground water catch basins in Judaea and Samaria in one year, the citizens of Israel consume close to 500 million cubic meters, and the Palestinians consume a little more than 100 million cubic meters. Both the drillings supplying water to the citizens of Israel, as well as the drillings and springs supplying water to the Palestinians, suck from the same "subterranean bathtub," which is termed, the mountain aquifer.

The water that is supplied to the citizens of Israel serves the municipal needs of the residents of Tel Aviv, Jerusalem, Beersheba, and many other cities, as well as the irrigation of fields in the northern valleys, the coastal plain, and the Sharon. The mountain aquifer supplies about one-third of all of the water needs of the citizens of Israel.

Great damage is liable to be caused to Israel if a Palestinian water commission establishes where to drill and how much water to pump from the mountain aquifer. Below is the maximal assessment of damage:

Israel currently pumps 340 million cubic meters from the western portion of the mountain aquifer, also called the Yarqon Taninim aquifer. If the Palestinian authority makes new drillings east of the Green Line, Israel's annual water yield is liable to be reduced to about 110 million cubic meters. Israel currently pumps 115 million cubic meters from the northern portion of the mountain aquifer, also called the Shechem Gilbo'a aquifer. If the autonomy authorities make new drillings in the Jenin region, Israel's pumping is liable to be reduced to about 40 million cubic meters. In the eastern basins of the mountain aquifer, Israel currently pumps about 40 million cubic meters for the use of the farmers of the Jordan Valley. If the Palestinians can pump at will, Israel's pumping is liable to be reduced to a mere 5 million cubic meters. In total, Israel is liable to lose about 340 million cubic meters of water, which is the amount of water that the entire municipal sector in Israel consumes.

In vast circles, a serious mistake became rooted in the matter of the water sources in the mountains. Many think that these water sources were conquered during the Six Day War—and it is not so. The underground water of the mountains were fully exploited by Israel as early as the 1950s, and a small portion was exploited even before the state was founded. In the 19 years in which the Jordanians controlled Judaea and Samaria, Israel exploited the underground water by means of drillings west of the Green Line, from Hedera to Petah Tiqvah and Ramallah to Beyt Shemesh. In the same years, water was pumped from the same aquifer along the edges of the northern valleys. It should be pointed out that, according to international law, this pumping of water for 19 years gives Israel a basis to claim certain rights over it.

During all of that same time, the Jordanian authorities did not develop a network of pipelines for the supply of water, and in the majority of Palestinian families there was no running water. The Palestinians consumed a minimal quantity of water, and Israel consumed most of the water.

After the Six Day War, the civil administration gradually connected the Palestinian villages to the water supply lines, and water began to flow from faucets in almost every home. Slowly, the demand for water grew, until there was a shortage in relation to demand. At this stage the civil administration prevented the Palestinians from making additional drillings and from increasing the rate of pumping in existing drillings, so that the water supply for the citizens of Israel would not be destroyed.

There is no doubt that the wording that was accepted in Washington, "joint administration of the water sources," is interpreted differently by the two delegations. The cloudy wording enables each delegation to interpret the matter of the joint administration of the water sources as it wishes.

The authority for the administration of water sources in Judaea and Samaria is, perhaps, the best example of the projections of the autonomy. What emerges is that the

autonomy is not merely the problem of the settlers, but of all of the citizens of Israel. The issue of water demonstrates the essential importance of the definition of "the source of authority" of the autonomy's administration. If the autonomy's administration is independent and has authority, then Israel will gradually be drained, in the not too distant future, of its water sources.

A "little secret," which has remained hidden for two decades, is that the criterion according to which the Labor governments before the 1977 overturn authorized the establishment of the first settlements is—their location in regions critical to the preservation of Israel's water sources. Thus Elqana, Neve Tzuf, and Gush 'Etzion were established. Then they defined this by the unprofessional words, "preservation of the Yaqon sources." Every beginning hydrologist who studied the structure of the mountain aquifer can draw a map of the "critical regions for pumping," in which it is possible to drill and produce water. It turns out that the "critical regions" are found exactly in the region of the settlements that are 15 minutes away from Kfar Saba', Petah Tiqvah, Lod, and Ramallah, and the critical regions also include the areas of settlement in Gush 'Etzion, the Gilbo'a Mountain and the Dotan Valley.

We are living in a region of a semidesert climate, with limited water draw-wells, in which, to our regret, many polluting processes are occurring. It is our obligation to preserve the little good water that is at our disposal.

### Housing Price Increases Linked to Closure

93AA0079G Tel Aviv YEDI'OT AHARONOT in Hebrew  
16 May 93 p 2

[Article by Gid'on Eshet: "The Closure and the Increase in the Dollar Propelled Apartment Prices Upwards—and the Index, Also"]

[Text] The increase in the price of housing, education and culture, and vegetables and fruits—that is what was behind the 1.4-percent increase in the Consumer Price Index in the month of April. The index has risen 5.3 percent since the beginning of the year, and the annual rate of inflation stands at more than 16 percent.

However, it became clear that during the past year there was an increase in the differences between the changes in the components of the index. Thus, for example, apartment prices went up by approximately 19 percent, the health item rose 17 percent—but prices of home maintenance increased 6 percent, food by about 5 percent,

and vegetables and fruits fell by approximately 14 percent in the past year. These differences between the various components indicate that the rate of inflation is not stable.

The inclusive consumption basket for the average urban family stood at NIS[new Israeli shekels] 4,895, and at NIS3,695 excluding housing.

### An Excessive Increase in Apartments

The housing component of the index, which constitutes approximately one-fourth of the entire index, continues to attract special attention. In the month of April, the housing index went up 1.7 percent. The conventional assertion is that apartment prices went up excessively on account of the increase in the exchange rate for the dollar, in which apartment prices are denominated. According to the latest figures, the increase in apartment prices even exceeded the increase in the price of the dollar. The continued closure of the territories, among other things, contributed to that.

In the first quarter, the price of a three-room apartment was approximately NIS300,000 in Jerusalem, NIS375,000 in Tel Aviv, NIS220,000 in Haifa, NIS290,000 in the Dan region, approximately NIS240,000 in the central region, about NIS155,000 in the south, around NIS280,000 in the Sharon region, about NIS160,000 in the north of the country, and approximately NIS180,000 in the Krayot [Haifa] area.

The Construction Inputs Index, to which prices of apartments under construction are linked, rose by half a percent last month, and it stands at 111.4 points.

The outstanding price increases in the past month: mutton, fish, and cooking oils by 3 to 4 percent, watermelons, oranges and bananas, [and] outerware by about 7 percent, day care by around 4 percent.

The outstanding price declines: hotels, strawberries, and cucumbers, flowers and potted plants by about 5 percent, foreign visits by about 2 percent.

- Our correspondent Yisra'el Tomer reports: Following the publication of the index, the Likud faction in the Knesset is demanding a debate in the Finance Committee. The Likud people are pointing to the fact that the index for the month of April is the fifth one to indicate a continuous increase in prices.

"The government is losing control over the economic processes, and there is a real danger that the economy will return to accelerated inflation," says the Likud announcement.

Changes in the Consumer Price Index



KEY:

1. Changes in percent
2. May, June, July, August, September, October, November, December
3. January, February, March, April

**International Investment in 'Afula Discussed**

93AA0079H Tel Aviv YEDI'OT AHARONOT  
(Financial Supplement) 11 May 93, pp 6, 7

[Article by 'Edna Ice and Tzvi Elish: "Crowding in 'Afula, an Onslaught in Be'er Sheva"]

[Text] There are not many bureaucratic processes that are more tiring than the conversion of a city into an A Development Area. The struggle with committees, with officials, with regulations, and with politicians can wear down even the most industrious doer.

Even after the sought-after approval is granted, no change is visible in the field. Correction: no change is seen in the first months; wait a year, wait a year and a half and you will see what happens in the new development area. Here, for example, are Be'er Sheva and 'Afula.

Two provincial cities, the capital of the Negev and the capital of the Valley, which were recently declared to be A Development Areas and in recent months turned into

arenas of battle between entrepreneurs. Energetic industrialists with a spark of enthusiasm in their eyes are courting the local authority and begging for a little shack, a small building, a crowded workshop, in the crowded industrial zones.

[Box, p 6]

**The Mayor Speaks**

**They Are Even Coming From India**

A giant Indian textile firm will establish in 'Afula a factory for the manufacture of woven cotton fibers and jeans. The investment: \$5 million. The mayor, Tzadok Nawi, explains: "The Indians chose Israel because of the trade agreements with Europe and the United States of America and they chose 'Afula because of its proximity to the port of Haifa, because of the existing industrial infrastructure, and because of the skilled labor force." [end of box]

**'Afula**

Something good is happening today in this quiet city. Investors from India, from Germany, and from Canada

are about to invest in it tens of millions of dollars in new factories. The refrigerator factory of Tadiran, the diapers of Hogla, Kislok, Moraz, Hakhmi, and others are being joined by many investors, and the surge is in full swing.

The crowning glory will be the pharmaceutical plant complex that will arise near the Ha'emek Hospital. One of the factories will be erected by the German drug manufacturer Boehringer, from 'Afula's sister city, Engleheim, together with a well-known Israeli entrepreneur, at an investment of approximately \$15 million.

A Canadian company will erect in 'Afula a plant for biological-sterile preparations. The company will invest approximately \$10 million, and will employ about 150 workers.

But until the Germans and the Canadians come, the Hollis Metal Company is attracting attention.

Two years ago, in the president's residence in Jerusalem, two unknown persons arrived from far-off 'Afula and received the prestigious prize that is awarded each year to superior exporters. They were the Ganzi brothers: 'Ofer, today aged 34, and his brother Moshe, 37. They are the owners (in partnership with a Dutch investor) of a factory named Hollis Metal Industries.

Hollis, it was stated then in a terse press release, exports shutters and venetian blinds—those curtains made of thin strips of colored metal—in the amount of \$27 million(!) and employs 400 workers. The two refused vehemently to expose the business.

Only two weeks ago, after two years of orders, I found myself running after 'Ofer the length of the manufacturing areas of one of the largest and nicest factories in Israel. [sentence as published] The Hollis factory is spread over a tremendous area of 20,000 square meters, and employs about 700 workers, 300 of them new immigrants. Sales will soar this year to \$50 million.

These figures put Hollis, an almost unknown company, among the 100 leading industrial firms in Israel. The reason for the anonymity: Hollis's venetian blinds are marketed by the Orgon company, and are known by that name.

'Ofer and Moshe, who manage the company with their father, Ya'akov, shy from publicity. The family firm began in a small workshop in Tel Aviv.

In 1982, the brothers decided to move to 'Afula and to expand. They began with four laborers. After three years, they established a facility for painting the aluminum strips, and began to export them. Afterwards, they shifted to the sale of finished, custom-made blinds.

Today, 90 percent of the output is for export, mainly to Germany. The Germans are pouncing on their blinds. They order the blinds in the neighborhood store, and the order is supplied to them within a week from the factory in 'Afula, by air mail. Tens of thousands of blinds are sent to the marketing networks, as inventory, and others

are sold through the catalogue companies. The blinds also reach North and South America and the Far East.

The world market for Venetian blinds is estimated today at \$5 billion. It is dominated by giant companies and thousands of small manufacturers are struggling to penetrate it.

[YEDI'OT] How does Hollis succeed in squeezing in?

['Ofer] We are successful due to sophisticated machinery, unique innovations, and rapid delivery to the consumers.

Hollis, contrary to convention, manufactures everything itself: draw cords, plastic adjusting rods, packaging, manufacturing machinery and injection molds, and, of course, the blind itself.

[YEDI'OT] Isn't it preferable to find subcontractors, experts in each area?

"We are the experts in every area," 'Ofer explains laconically.

After continuous growth of 40 percent in every one of the last few years, Hollis is now in accelerated growth. A factory was established in Poland, and new departments are under construction in 'Afula.

#### Be'er Sheva

Officials in the Ministries of Finance and Industry and Commerce can relate that one of the only documents that bears the signatures of the two warring ministers Yitzhak Moda'i and Moshe Nissim, one next to the other, and without many delays, was the document that authorized the granting of the status of A Development Area to Be'er Sheva.

Nissim did not want all the credit to go to Moda'i and hurried to sign. Moda'i, the father of the "Eastern Negev" plan, did not want to leave the arena to his rival and hastened to sign. Thus, Be'er Sheva began to run, after tens of years of going nowhere.

In the new industrial zone, 'Emek Sara B, in the southern part of the city, can be heard the sound of hammers, the din of bulldozers, and the shouts of the construction workers.

The new industrial zone, on an area of 400 dunams, was allocated and sold in its entirety to entrepreneurs and investors. Another industrial zone, of 100 dunams, near the Makhteshim factory, has already been allocated and the bulldozers will storm it next week. Most of it, too, has been sold.

A third industrial zone, 'Emek Sara C, with 110 dunams, is in advanced planning processes. About half of it is earmarked for an industrial park that is being planned by Mario Leznik.

The planners are now sitting and working under pressure on the planning of an additional zone, 'Emek Sara D, on an area of approximately 1,000 dunams.

"Five to six are fighting over every plot, they are simply standing in line to buy the land," crows Dafna Barak, the manager of the Be'er Sheva Economic Company, who, together with her assistant, Nir Bariah, is supervising the work.

Barak tries to explain the blossoming: "The center is choked, it is easy to get here and to find parking and in the north it is already full, Karmi'el and Tefen are loaded. Here, the revolution has just begun."

These are some of the new projects in the city: the [?Dunhill] factory, in which \$130 million have been invested, the Hekhal Haner candle factory, at an investment of \$1.5 million, a brake shoe factory at an investment of \$2 million. In the planning stages there is the [?Almond] diamond factory from the United States of America (an investment of \$8 million), a textile factory of an Indian entrepreneur (an investment of \$11 million), a resistor factory of Vishay, a textile factory (a Taiwanese investment of \$14 million), and 80 other factories.

[Box, p 7]

### The Mayor Speaks

#### An Industrial Revolution

After tricks, schemes, and strategems, Be'er Sheva received the status of an A Development Area. And what is happening in the field today, a year and a half after the declaration of the new status? Has the effort justified itself? "We are in the midst of an industrial revolution," replies Yitzhak Regar, the mayor of Be'er Sheva, who regards the government authorization as his greatest achievement. [end of box]

#### Four New Industrial Zones Reported

93AA0079C Tel Aviv YEDI'OT AHARONOT in Hebrew  
13 May 93 p 29

[Article by Navit Zomer: "Four New Industrial Zones Will Be Established In the Center"]

[Text] Four new industrial zones will be established in the next two years in the center of the country: an industrial zone will be established for the first time next to the Ben-Gurion Airport, in the Barkat region, on an area of 3,500 dunams. The zone will be earmarked for "attendant" industries for airports—packing houses and inspection facilities.

Another new industrial zone, on an area of 1,500 dunams, will be established near the port of Ashdod. The intention is to allow export-oriented industries to operate near the ports and to save on transport costs. Likewise, a new industrial zone will be established at Kassem Intersection on the trans-Samaria road on an area of 1,500 dunams.

An industrial zone on an area of 8,000 dunams is planned in the Ramle-Modi'in region. In the Haifa region, between the refineries, on an area of 6,000

dunams and in Mazkeret Batya—200 dunams. In addition, a high-tech industrial park is planned on an area of 300 dunams next to Qibbutz Glil Yam and in Yavne—on an area of 700 dunams. The zones will be established on agricultural land, which the [Israel Lands] Administration will release for rezoning. The zones will be operated in another two years.

Nati Sharoni, the director-general of the Ministry of Industry, responded that the development of land into development zones is not keeping up with demand, even though the ministry's budget for developing industrial zones was doubled this year, and there will even be use of approvals on account of next year's budget. The Ministry of Industry and the Israel Lands Administration are handling matters jointly. The need for new zones stems from the emerging pressure on available industrial areas in the center of the country.

Now under preparation, for the first time in a long while, is a comprehensive survey that was ordered by the Ministry of Industry on the situation of land reserves in development zones in the center of the country: from Ashqelon to Haifa. From a preliminary report, which was submitted to the Ministry of Industry, it seems that a shortage is developing that is liable to worsen in the available areas in the center.

The survey is being conducted by Dani Ne'eman, an external adviser for infrastructure development. For example: in the S'gula area in Petah Tiqva, a reserve of only 70 dunams is left. In the Tel Aviv region there are no vacant areas. In Or-'Akiva, all of the available land was sold.

#### Assessment of Country's Scientific Infrastructure

93AA0069C Tel Aviv HA'ARETZ in Hebrew  
11 May 93 pp 24-25

[Article: "The Raw Material Is the People"]

[Text] Yet beyond the flattering numbers hides a reality that indicates a deep decline in the position of science in Israel. Never, apparently, has the state of scientific and technological research withstood so many prospects and such great risks. A significant part of the scientific equipment found in universities in Israel are outdated and do not answer the needs of the scientists. A survey conducted by the Ministry of Science and Technology uncovered astounding findings regarding the state of the scientific base in Israel. Those conducting the survey determined that there is already a need for investing 200 million shekels just to update the scientific equipment to the required technological level in the exact sciences.

#### Good, But Not Good Enough

In Harari's eyes, too, the scientific reality in Israel is far from satisfying. "Israel must decide in which league it is playing. True, in relation to other countries with similar populations, we are the most advanced country in the world. But, Israel is not simply a country of 5 million

residents, like Denmark or Czechoslovakia [as published]. It is a country that has not yet completed the integration processes among people who have come from different Diasporas and cultural traditions. A significant percentage of our national product is devoted to things that no other country of 5 million residents deals with. Defense and the absorption of immigrants are two objectives, each of which, alone, could bring down a reasonable country of our size.

"That is, we cannot permit ourselves to be average, to be on the level of Denmark or Belgium. If we had an air force on the level of the Danish Air Force, we would not be here today. The local scientific quality, for the State of Israel, is not the private craze of a few elitist academicians, but a necessity for existence."

It could be that the president of the Weizmann Institute has some access to the government, and that there are some ears open to his words. Starting in 1993, the government is allocating the sum of 75 million shekels per year to a new national fund to finance the scientific base.

In addition, the "impetus" program, which is now being drafted in the Ministry of Science and Technology, will win an annual budget of 25 million shekels to advance employment in science and technology. Another sum of 15 million shekels, was given to the Ministry of Absorption and the Ministry of Science and Technology as a supplement to the assistance budgets for the absorption of immigrant scientists. In total, in the year 1993, the Ministry of Science's budget is being tripled, and it currently reaches 200 million shekels.

The level of education in Israel is estimated to be somewhere in a good place in the middle, among the 20 to 30 developed countries. It is sometimes found in seventh place, and sometimes in fourteenth place. In an interview granted three weeks ago for TECHNOLOGIA, Minister of Science Professor Shim'on Shitrit said that he also views education as one of his ministry's future areas of action. Shitrit: "It is very important that every child in Israel recognize terms such as laser instrument, isotopes, how microwaves, television, and other things work."

"We are planning to give special treatment to the peripheral areas, including the Arab sector, and perhaps even to a stage in the program, also to international factors. We will imbue a number of groups with technological learning. We will begin with the schools, and we will even involve the army with this. One of the plans is to organize hundreds of science and technology summer camps, open to all children in Israel, not the kind that are intended for a select percentage of them."

Harari would not be opposed to this plan, despite the fact that he believes that the Ministry of Science is unnecessary in this area, and that preference must be given to the Ministry of Education. "If we examine the Japanese success in relation to the American failures, it becomes evident that it is the result of manpower training and the quality of people in Japan, in contrast to the American educational system. In Europe, a very clear

relation can be discerned between manpower training and the success or failure of the countries on the continent. These matters are more distinguishable from decade to decade and, to my joy, our people are also beginning to understand this. I am already beginning to hear, for the first time, that the politicians are saying the right words. We still do not see the deeds, but, at least we are starting to hear the right words."

[HA'ARETZ] What are the areas in which science education must focus?

[Harari] Mathematics now constitutes the base for the sciences and technology, and for the entire world of business and even social sciences. Computers are penetrating everywhere and mathematics, not as a science, but as a language, is the most important profession. However, we are not only speaking of education in science and technology, but also the subjects of discipline, precision, and the ability to improvise. In subjects in which the Japanese and some of the Europeans are strong, such as precision, responsibility, and discipline, which are so important to advanced industries, we do not have many reasons to be satisfied with ourselves. Our primary advantage is in the ability to improvise. The reason that so many Israelis are successfully absorbed in the Silicon Valley and elsewhere is not their IQ, but their excellence in the area of improvisation and creativity.

[HA'ARETZ] Can brain power be defined as the most important raw material that Israel has?

[Harari] The raw material is not the knowledge, but the people. I have been asked many times about the Jewish brain, but I do not believe in it. There are no peoples that have higher IQs than other peoples, although differences exist among societies and nations, which result in different approaches in the manner of the solution to problems.

The raw materials, themselves, have become marginal today. In the modern world, the raw material with which you do things is people and their qualifications. Not only scientific knowledge, but, also talents in management, marketing, and anything that people can do. This is the alternative to gold, oil, and diamonds. If I were permitted to chose between the level of our people and our oil, and the level of the Saudi people with its oil, I would chose what we have, from purely economic considerations.

[HA'ARETZ] Has Russian immigration been accompanied by growth?

[Harari] In the history of the State of Israel, it may be seen that every time there was immigration, there was also economic growth. Each time that the immigration was halted, there was a retreat. This is not from the essence of the contribution by the immigrants. In the beginning, the pressing need for additional housing stimulated the economy, and within about two more years, the immigrants will begin to find expression in the areas of consumption, clothing, and entertainment. But, their real contribution to Israeli science, despite the large number of scientists in this immigration, will only be felt in another full generation.

Most of the immigrants arrived from a cultural and educational background that exceeds that which exists in the State of Israel. They lack a Jewish background, something that makes their absorption difficult, and the technological level in Russia is, in part, lagging behind. But, their basic science education, the level of mathematics in Russian education, are simply awesome. On the average, their intellectual level is higher than that of the absorbing population in Israel, and I have no doubt that they will raise our level. But, 20 years will pass before this happens.

[HA'ARETZ] Influenced by the blockade in the territories, is there a message concealed for us?

[Harari] All the time, they say that the Arab workers should be replaced by Jewish workers. What is needed is to change the economy through modernization and sophistication. The textile industry, for example, is based on a long line of women who sit and sew with outdated sewing machines. Modernization would totally change the face of it. The construction industry and agriculture must also change. It is true that there will always be a need for simple workers who will pick oranges from the trees. If so, perhaps it is preferable to forego the oranges, despite the fact that they are our national symbol, and that we leave their growing to countries in which labor is cheap.

When I say that we must learn more mathematics, I am told that, in any case, we will also need simple workers. This is not true, simple workers will not be needed; the economy will be planned in such a way that there will be no simple workers. When you enter a central parking lot in Switzerland, you pay at one machine and another machine directs you to a parking space. In Israel, there is a worker who gives you a slip at the entrance, one who takes the payment at the exit, and three more guards. Everywhere you see jobs that were created because we have cheap labor.

Who ever heard of using so many workers employed to wash dishes in restaurants, instead of using dishwashers? Today it is cheaper in Israel to have three Arab workers instead of purchasing one advanced dishwasher.

When you come and warn of this, everyone agrees with you, and it is frustrating. Because, we they agree with you, you must be silent. Improving education is a process that is carried out for the long term, and I do not feel that our politicians really sense the great urgency of the subject. The French tell of de Gaulle that, when he was at his estate, the gardener told him one day that he was planning to plant a tree the next morning. De Gaulle asked him when the tree would bear fruit, and the gardener replied, in 10 more years. "Don't wait for tomorrow morning," replied the veteran leader, "plant it today."

### Weapons Acquisition, Future Battlefield Doctrine

93AA0080A Tel Aviv HA'ARETZ in Hebrew  
13 May 93 p B2

[Interview with General Shalom Hagai, IDF (Israel Defense Forces) quartermaster chief, by 'Eitan Rabin; place and date not given: "The Next War Will Be Decided With Fewer Victims: Before the End It Will Be Clear Who Is the Victor"]

[Text] The chief of the IDF [Israel Defense Forces] quartermaster branch, General Shalom Hagai, prefers a small, efficient army. Within the framework of the cuts in the defense establishment budget, Gen. Hagai is concerned about IDF soldiers not lacking anything in any sphere—from personal equipment up to and including advanced weaponry.

Gen. Hagai was born in Libya in 1946 and immigrated to Israel with his parents in 1949. During his childhood the family lived in the transition camps. In 1963 he was drafted into the IDF and served in the gunnery corps and the armor corps, where he filled the position of armament officer. During the Six-Day War he was a battalion armament officer in Sinai. After the war he served as armament officer in the northern sector of the Suez Canal and he was wounded in the War of Attrition. In the Yom Kippur war he participated in the battles on the Golan Heights and in Sinai, as armament officer in an armored task force. Gen. Hagai filled many diverse positions in the field and completed with distinction his studies for the bachelor's degree in the Technion's College of Industry and Administration as well as his studies for a master's degree in business administration at New York University. He is respected by the chief of staff, and several generals on the general staff note that Gen. Hagai introduced a whole new culture to the quartermaster branch, from individual treatment of the soldier to the manner of handling weapons purchases.

[Rabin] What is the function of the branch you head?

[Hagai] The quartermaster branch is a branch of the general staff and also a logistics command. Unlike other armies, in which there is a separate logistics command with its own commander, we have one man responsible both for the logistics command and for serving on the general staff. The question of separation was considered more than once in the past, but its economic cost is very high, so the quartermaster chief also determines policy and planning at the general staff level while handling the logistics command.

The quartermaster branch also commands the professional corps. It has full command over some of them, and deals with professional coordination in others. Within this purview, the quartermaster branch bears overall responsibility for all technical-engineering matters, especially concerning the ground forces. This command fills all the functions together that are generally scattered among several commands.



We bear the responsibility for all of the logistics of the IDF—to move the army, from shoelaces to the most advanced tanks—and the responsibility for developing and equipping all the ground forces weaponry, and not just that of the ground forces. The air force and the navy receive a great many services from us, apart from designated equipment. In several instances we bear the responsibility for the development of professional manpower and its training. We are responsible for the logistical readiness of the army and all its branches.

[Rabin] What is the quartermaster's slice of the IDF budget?

[Hagai] The quartermaster's operational budget is 6 billion shekels a year, about 40 percent of the IDF budget. The responsibility for that kind of budget is very large, even when there is enough to go around, and all the more so in hard times like today. The enormous difficulty of supplying everyone causes special problems.

[Rabin] What is the cut that the quartermaster absorbed as part of the IDF's multiyear plan?

[Hagai] Because we carry a large slice of the budget, we also carry a significant portion of the cut. In the transition from 1992 to 1993, for example, we cut 90 million shekels, and this was a year in which there was almost no cut in the defense budget.

[Rabin] Have plans changed in the wake of the cuts in your branch?

[Hagai] Of course. When you put together an annual work program, you update it at a more detailed level than the way it appears in the multiyear plan. This updating is a function of the new budget framework that has forced the cancellation of activities. Also, a deviation is sometimes required because of changing circumstances, a change in priorities, or the operational situation in the territories and in Lebanon. That forces you to accelerate processes, to change the deployment of forces, and to build an infrastructure for absorbing new weapons.

When advanced weaponry comes in, we try to support it fully. In order to do so we ignore immediate problems, because we do not want to find ourselves with advanced weapons but poor logistic support. We provide logistic support in equipment, in deployment, in infrastructure, in training, and in knowledge—sometimes at the expense of readiness—especially when it comes to protecting soldiers in Lebanon and Gaza. Sometimes inventories are hurt by this. The inventory is an enormous budget component, and there is the temptation to use it as a source for financing regular consumption instead of going out and purchasing what is needed. Here, too, the order of priorities is decisive.

[Rabin] What large major projects are being planned in the IDF for the next few years?

[Hagai] We are in a period in which we are determining, if we can say that, all of the large projects for the ground

arena in a number of discussions and decisions, the most important of which go to the defense minister, while others are decided by the chief of staff. I presume that in the next few months we will agree on several more decisions and, in so doing, will complete the determination of the plan for the framework. Some of the decisions will turn into contacts that will go on for eight to ten years. This is the case with the projects for tank retrofitting, the program for artillery alignment upgrades, the purchase of the new MLRS rockets, the M-109 mobile gun upgrade, and the protection and upgrading of tanks.

[Rabin] How is the IDF countering the new weaponry of the terrorists in Lebanon, such as the Sagger?

[Hagai] The threats in Lebanon constitute a long and evolving chapter. Every time a new threat appears we try to find a response, but that is not always possible because it is not a matter of an organized army with a combat doctrine, but a group of people who take missiles or Katyushas and fire them. It is hard to deploy for combat against them, and we therefore try to provide solutions that will be both a reaction to the threat and an attempt to forecast what the next threat will be. The threat of Sagger missiles surfaced in Lebanon over the last few months. We are also trying to provide mechanisms for the personal protection of the soldiers. In fact a soldier can be protected by means of a heavy vehicle, but that is very expensive.

Even in the area of protecting the soldiers in the territories, we are very diligent with regard to new development measures. One of the problems is to protect the soldier in a way that will allow him to operate, that will not be too heavy when he has to charge. We can protect the soldier completely, but then he will cease being a soldier.

[Rabin] In the wake of the transition to live weapons in the territories, are the devices for breaking up demonstrations, such as the gravel thrower, still useful?

[Hagai] The gravel thrower was intended to deal with a specific kind of mass disturbance. When there are no mass disturbances, there is no need for a gravel thrower. But there is no assurance that there will be no further mass disturbances and that we will not have need of it.

[Rabin] Has the IDF made a final decision not to purchase the "Sholef" gun?

[Hagai] No decision has been made to cancel that project. It has been decided that at this stage the IDF will not equip with the Sholef gun, but it may be that this option will again be on the agenda as time goes by. The dilemma in the matter of the Sholef is very simple: It is a matter of an excellent gun, where our tests clearly show that it is one of the best guns in the world, if not the best. It is a gun that provides good range and very good precision. But we cannot allocate funds in Israeli currency to equip with it. In the volume of tests and discussions carried out by the IDF and certified by the defense minister, it was found that if we were to equip with it, we would have to put aside a purchase from local

industry that, according to our norms, is preferable for the IDF over the Sholef. That is also my opinion, as I expressed it in the general staff. Nevertheless we need to preserve the option to equip with the Sholef in better times that may yet come.

Were the IDF able to exchange its foreign currency for shekels, we might not have equipped with the MLRS rockets and given up on the Sholef. But we are buying the MLRS from aid funds and not with shekels. It is true that the MLRS and the Sholef do not deal with exactly the same threat, and in war they have somewhat different functions. The MLRS is a rocket system that fires 40 km, while the gun fires in a point fashion over shorter ranges, 20 to 25 km.

[Rabin] What will the purchase of the MLRS cost the IDF?

[Hagai] This is a matter of a project costing \$300 million that will come from aid funds.

[Rabin] What is nature of the disagreement between the IDF and the defense industries in the wake of the demand to strip the army of its own industries and transfer them to the [defense] industries?

[Hagai] The main reason the IDF maintains its own industries is that they serve the army's readiness. In war the entire civilian economy is squeezed, and the military economy is bloated. It is then asked for outputs ten and twenty times greater than in peacetime. Without its own industry the IDF cannot assure logistic backing for all its tanks and all its advanced electronic systems. Either we maintain an enormous supply, that will cost us billions, or we preserve the restoration capability within the IDF. We cannot silence the defense industries for 20 years, and then bring them back into operation all at once as soon as war breaks out. The military industries are in difficult straits and therefore want the army's industries. The army opposes that, which is why the prime minister and defense minister set up a commission headed by Professor Ezra Sdan to conduct an outside, objective investigation into all aspects of the problem and determine whether the IDF needs its own industries. In my opinion the IDF will not be able to exist without the internal technological infrastructure.

[Rabin] What will we purchase from the United States over the next few years?

[Hagai] U.S. defense aid stands at \$1.8 billion. We estimate that this aid will continue until at least 1994. Of this budget, \$475 million represents exchange funds of dollars to another currency. This is the main channel, and it is being used for purchases for the air force and, of course, also for other military services. In general we regularly get from the Americans everything we ask for. When it comes to advanced weaponry, rockets for example, authorizations are required from higher echelons. We appealed to the Americans and asked to purchase them.

Still on the agenda now is the airplane deal, which will also be accomplished entirely from aid funds. We need to choose between the F-16 and the F-18. This question is being looked into and investigated by the air force and has not yet been discussed at the general staff level. The economic aspect is significant. We are also purchasing tons of parts and products that cannot be manufactured in Israel, in very large quantities. We are considering the importation of vehicles from the United States. We are also getting surplus [materiel] from the Americans: APCs and other weaponry that the U.S. Army is removing from its ranks. These surpluses do not come out of the aid funds.

[Rabin] Is the quartermaster's office set for a change in its programs in the wake of the peace talks?

[Hagai] This issue is not one of our decisionmaking parameters. There is no document on the consequences that could follow from a peace agreement. There is no guidance for that, not from the chief of staff to me and not from me to my commands. Of course, the decision-makers think about it, and it might partially contribute to the considerations of one decision or another, but I cannot say that today there is a practical dimension to it at all. No discussion has been held in the quartermaster's office, not even an academic one, about a change in deployment following the peace talks. We also take pains to broadcast that it is nothing practical. We assume that when there is a political agreement, the IDF will be given an appropriate period of time to deploy and organize its ranks.

[Rabin] Will Israel's security be compromised if we return the Golan Heights?

[Hagai] Territory and strategic depth are important components of defense considerations. The degree to which they are required is a function of the threat. When we talk about a peace agreement, we hope that the threat will be very small, and it will then be possible to ask questions as to the value of the parameters that comprise defense, including the territorial issue. I cannot give you an answer about the value of territory without defining the strength of the threat. Tell me the size of the threat and I will tell you how important territory is.

[Rabin] What are the characteristics of the future battlefield?

[Hagai] I do not want to talk about how the IDF is deployed. It depends, of course, on the number of countries that will participate in the future war. That will very largely determine our ability to concentrate weapons power. One thing is certain—we are talking about a field saturated with fire. The ability to strike the battlefield itself from a distance will be greater than in previous wars. It is a question of missiles being the decisive dimension on the battlefield itself, not just between countries, not just as a strike in the rear. The ability to strike from a distance in the next wars will be entirely different from what it was in the past, and our deployment will have to take that into account.

In a future war, the place of the air force, in my estimation, will be no less than it is now. Without a doubt it will be a war in which the technological dimension will be far more important than in the past—less mass and more technology and sophistication. My feeling is that the outcome will be decided with less destruction and with fewer victims than in the past because even before it is over, it will be clear who has won. During the course of the war, even before it is exhausted, its final course will become clear to one side or the other, and that may bring it to an end.

[Rabin] What is your opinion about the fact that Syria is acquiring sophisticated weaponry at the height of the political process?

[Hagai] There is no reason to be surprised at that. We cannot complain to Syria, because it is doing exactly what the IDF is doing. But they have a program of surface-to-surface and aerial missiles and a program for the purchase of T-72 tanks because they see themselves in a potential war situation with Israel.

Every country that perceives itself in a war situation equips itself. This does not contradict the fact that peace has something good to be said for it, even from the Syrian point of view. There is a potential for achieving military objectives by way of peace, and the Syrians are not approaching peace simply out of exhaustion, but out of a belief that in this way they have a chance to achieve much more than by war with Israel.

I am not justifying the Syrian moves to equip themselves, but a Syrian journalist could ask the same question of the Syrian chief of staff: Why is the State of Israel equipping itself with sophisticated weaponry at the height of the peace process? The answer is clear: As long as there is a state of war, a nation cannot allow itself to take risks, and therefore it equips. Even when the buds of peace begin to bloom, we will not lay down the swords. The armies will have to be strong for many more decades in order to support peace.

## KUWAIT

### Bank Official Criticizes Lack of Economic Policy

93AE05057A London AL-HAYAH in Arabic  
19 May 93 p 13

[Report from Kuwait by Zaynab 'Abd-al-Hadi: "Acceding to National Assembly Proposals on Nonperforming Debt Would Be a Catastrophe for Kuwait's Financial and Banking Sector"]

[Text] Shaykh Ahmad 'Abdallah al-Sabah, chairman of the Kuwaiti Barqan Bank, said that there is no way to revive the Kuwaiti economy in the absence of a well-defined economic policy and called on both executive and legislative branches to formulate a general state policy that would be well-defined.

He explained in an interview with AL-HAYAH that responsibility for the al-Manakh [stock market] crisis rests equally with the state, the banks, and the borrowers. He called upon each of the parties to own up to its responsibility for what happened and urged the Finance Committee to show more flexibility and modify its rigid position. He was alluding to insistence by deputies in the Council on revealing the names of certain of the indebted.

Shaykh Ahmad criticized that notion and pointed out that borrower and customer confidentiality is of the essence in the banking sector and that the loss of such confidentiality would shake the foundation of the banking and financial sector with catastrophic consequences.

Shaykh Ahmad also asked that priority in the utilization of monetary flow realized by customers after the liberation [of Kuwait] be given to paying off new credit facilities extended to them by the banks.

He pointed out that mergers require the expert opinions of specialized international bodies and emphasized that Barqan Bank enjoys a solid financial position and is therefore able to continue operations without the benefit of a merger.

He attributed the strength of the Kuwaiti dinar to the fact that it is pegged to a basket of foreign currencies.

Following is the text of the interview:

['Abd-al-Hadi] Bank boards of directors are accused of helping to create the nonperforming debt crisis by making loans unsecured by collateral or by mortgages. How do you respond to that charge?

[Ahmad] That is a false accusation because the al-Manakh crisis was caused by everyone and not only by the banks. The state, the banks, and the borrowers have all contributed [to the crisis] in their own way but, as the saying goes, a fallen camel attracts many butchers!

As to charges directed at former board members, let me inform you that, as far as I am concerned, at that time I was working for the central bank's Banking Oversight Department and it is not appropriate for me now to either defend or accuse former board chairmen. It is my belief, however, that the lack of a credit policy played a role in causing the situation to deteriorate.

['Abd-al-Hadi] How do you envision the future of banking debt and what solutions do you expect the National Assembly to advance? How do you assess Finance Committee performance?

[Ahmad] We, as we seek a solution to this crisis, must exhibit optimism and goodwill. We must consider the welfare of Kuwait first and foremost.

As to the proposal submitted by the government to the Assembly, there are those who believe that the proposed debt resolution rate—i.e., immediate repayment—

averages between 46 and 50 percent at most and that is impossible for debtors to accept. This causes voices to be raised calling for increasing the resolution rate to 75 percent, allowing debtors to repay only 5 percent of the debt. I personally have no alternative solution to offer but we could adopt the central bank's proposal as a starting point and develop it. The [central] bank is the first and final arbiter of this problem and it cannot be kept neutral [isolated from the problem] either now or in the future, especially if it is to have responsibility for the safekeeping of public funds.

There are also those who feel that the [two] solutions advanced by the Chamber [of Commerce] and by the central bank should be reconciled by combining them. Another possibility is to form a three-member or a four-member committee to formulate the new compromise. The central bank, local banks, the Chamber of Commerce, and the Finance Committee would be represented on such a committee.

In any case, the National Assembly's Finance Committee, since it is about to advance solutions to that problem, should exhibit more tolerance, be flexible in its proposals, and not be rigid in its attitudes, because many honest men are entangled in that crisis. In addition, there was the occupation and more borrowers were added to the list.

As to the adamancy of Assembly deputies on releasing the names of certain borrowers in the program by amending Article 28 of the Central Bank Charter, I am at a loss as to what the point is.

If they think that releasing the names would help in finding a solution, I disagree because it would add even more complexity to the issue. Customer and borrower confidentiality is the cornerstone of the banking system. If we lose that confidentiality we might as well bid the banking sector goodbye. That would be a catastrophe for the banking and financial sector in Kuwait.

[Abd-al-Hadi] Kuwait is both a lender and a borrower. Can you explain that to us?

[Ahmad] Kuwait borrows in order to pay obligations resulting from the war for liberation. It lends to others in order to lighten the burden of countries that supported it at the time of the invasion. Even though the country currently suffers a budgetary deficit, this is merely a temporary occurrence because the deficit will shrink as crude prices and rates of production remain constant or increase, making it possible to realize a surplus within the next five years.

Furthermore, the state has done all it could to avoid liquidating its foreign assets, except on a very limited scale, in order to avoid impacting world securities markets. That is why it opted instead to borrow abroad without mortgaging any of its foreign investments.

[Abd-al-Hadi] How can the bank revive the Kuwaiti economy? Banks in America, for instance, lead economic projects but we don't see banks in Kuwait assuming a similar role.

[Ahmad] How can the Kuwaiti economy revive when the National Assembly is still debating nonperforming debt legislation and some of its deputies wish to reveal the names of borrowers in the program, i.e., repeal the confidentiality of information by amending Article 28 of the Central Bank Charter?

Besides, I do not believe that banks can help revitalize the Kuwaiti economy in the absence of a well-defined economic policy. I urge both executive and legislative branches to proceed diligently with formulating a general state policy that would be well-defined with articulated objectives covering all fields pertaining to the economy, population, and security.

[Abd-al-Hadi] It was noted in the aftermath of liberation that some capital fled abroad, causing economic contraction. Would you have an estimate for this monthly outflow?

[Ahmad] It is difficult to give accurate figures. The central bank is the only source of such information.

But by reviewing published figures on post-liberation withdrawals, it is possible to say that those figures were all-inclusive in the sense that they included the amounts used to finance trade and essential imports and the amounts transferred abroad to meet obligations incurred by Kuwaitis during the occupation, as well as funds owned by expatriates of unfriendly countries who are unable to return to Kuwait after the liberation.

Moreover, it is common knowledge that the Kuwaiti economy is a free economy that allows unrestricted capital entry and egress.

[Abd-al-Hadi] What appropriate action should Kuwaiti investors take within Kuwait in order to avoid making a wrong turn?

[Ahmad] Investors are usually speculators or conservatives. The latter are content with reasonable returns and with the preservation of their savings by investing them in vehicles with very little risk, such as central bank bonds, or in bank [certificates of] deposit.

Speculators, on the other hand, speculate with their savings in order to realize high gains in a short period of time, though they expect to suffer terrible losses during the same period. They are firm believers in the adage, everything that increases returns also increases risks.

[Abd-al-Hadi] Why do you advocate that old debts not be linked to new facilities?

[Ahmad] I am one of those individuals who advocate that priority—in the utilization of customer monetary

flows realized after the liberation—should be given to repaying the new credit facilities they received from banks after the liberation.

Those monetary flows were generated as a result of new credit facilities to those customers, especially that the banks assumed a patriotic responsibility in supplying the state with essential goods by granting their merchant clients credit facilities without the benefit of accurate balance sheets [financial statements] or guarantees in the form of real or other assets.

These calculations were based on relationships that existed before the occupation, based on the assumption that a responsible client will always be responsible. That precept was the only guarantee that bank customers could offer at that time. We can say with all certainty that it was the banks that assumed responsibility for and took the risk of financing that critical sector.

I shall not fail to mention that Barqan Bank played a leadership role in forcefully entering the Kuwaiti market and accepting the challenge of its patriotic responsibility, thereby succeeding in winning over the cream of customers in the domestic market.

[‘Abd-al-Hadi] You have pursued a bold lending policy in the past. Would you elaborate on that and explain the role that the banking sector in Kuwait could play to revitalize the economy?

[Ahmad] It is common knowledge that banks play an important role in activating and propelling the economic process, but how can Kuwaiti banks operate in the absence of a well-defined economic policy with a clear vision of five years into the future?

[‘Abd-al-Hadi] How much progress have you made with regards to the merger?

[Ahmad] A merger remains an idea to be considered but no steps in that direction have been yet taken. Mergers offer the advantages of lower costs and a broader customer base as well as increased capital.

I would like to emphasize, however, that Barqan Bank enjoys a solid financial position which would allow us to continue without [the benefit of] a merger. Besides, the primary contributor, which is the government, is yet to move in that direction and we are waiting for it to do so. The bank may have to initiate new discussions with another bank.

The reason for our move is that Barqan Bank is capable of taking a scientific approach in studying any new merger proposal. [Such a proposal], should it be approved in principle, would be referred to a specialized international institution to be studied and scientifically evaluated.

## MOROCCO

### Opposition Parties’ Program To ‘Save’ Country

93AF0611C Rabat L’OPINION in French  
12 May 93 p 4

[Text of a joint declaration by four Moroccan opposition parties (Istiqlal, USFP, PPS, and OADP); dated 11 May 1993]

[Text] Having met on 7 May 1993 to take stock of the current state of affairs in Morocco, the prodemocracy parties—the Istiqlal Party, the Socialist Union of Popular Forces (USFP), the Party of Progress and Socialism (PPS), and the Organization of Democratic and Popular Action (OADP)—issue the following declaration.

The state of affairs in Morocco requires the creation of essential conditions that will halt the worsening crisis in the various sectors of the economy and ensure stability, protecting Moroccan society from the vicissitudes of disintegration, declining moral standards, and uncertain horizons.

The state of affairs is such that a fundamentally different alternative must be presented, an alternative irreversibly rooted in democracy and structured around the mobilization of potential. At the same time, the national economy must be endowed with the instruments of capacity and efficiency that will enable it to become better integrated into its regional and international environment.

- In view of the upcoming elections by direct and indirect suffrage to choose new members of the House of Representatives which will exercise its powers in keeping with the Constitution approved by referendum on 4 September 1992;
- consolidating the joint activity that the prodemocracy parties undertook in the preceding legislature and that has been widely hailed by the masses of working people; and
- in pursuit of ongoing efforts to achieve a maximum of guarantees, to bring about the conditions for establishing healthy and truly representative institutions that have credibility both at home and abroad, and to create the political and social climate necessary for free and honest elections to be held against a backdrop of complete openness and respect for the will of the citizens, without any fraud, abuse, or recourse to dirty money, the four prodemocracy parties have agreed to the following:

1. They have agreed to commit themselves to pursue a common political, economic, and social program to save the country, introducing indispensable reforms and establishing a society in which all Moroccans are assured of a decent life and a brighter future and opportunities are made available to young people while protecting the interests of the nation and preserving its place in the world by defending its interests in the face of all challenges, whether domestic, regional or international.

That is the true guarantee that the country's territorial integrity will be preserved, that Ceuta and Melilla will be liberated, that the people will be mobilized in defense of the nation, and that Morocco's influence in the region and the world will be assured.

For that, the roles of the state, the public sector, and the local collectivities must be adapted to ensure rapid and balanced development, and a climate favorable to the expansion of private enterprise must be created.

There are other requirements as well:

- A national charter of regional development must be adopted in accordance with specific criteria and goals to eliminate underdevelopment.
- The domestic market must be expanded, allowing the country's base of production to meet the demands of development, through the promotion of export opportunities.
- The social dimension must be given greater prominence in the state's overall policy, integrating the segments of society that have been left out of the development process.
- Deficiencies in health care, education, and employment must be overcome.
- Justice must be made a reality, and a sense of solidarity must be developed among the individuals and the strata that make up society, to alleviate the effects of unemployment, extend social security services to the categories that had previously been denied them, and free Moroccans from the shackles of illiteracy.

This detailed program contains concrete and objective proposals for the various sectors—trade, industry, agriculture, crafts, fishing, transportation, health, education, employment, emigration, housing, the environment, youth, and scientific research. The underlying concept is that the Moroccan citizen, mastering science and technology and participating in the management of his own affairs, is the main vector of overall development which will enable our country to cope with the regional and international environment by rapidly bringing about the deep transformations that are necessary.

2. They have agreed to conduct an election campaign that is respectful of all opinions, presenting ideas and programs that establish democratic dialogue and rally the vital forces of the country to serve national interests.

The prodemocracy parties offer a platform of shared conception and responsibility that will be used to further the common program.

They believe that the election campaign must be free of insults and immoral practices such as vote buying or any other type of fraud.

They will strive to keep the election campaign clean and focussed on ideas and programs.

3. They have agreed to commit themselves to conduct joint political and parliamentary activity, both inside and outside the House of Representatives, following the

elections. That activity will be to defend the goals and principles they have already articulated, which include political, economic, and constitutional reform; the role of institutions, their powers and composition; the establishment of indispensable institutions such as a Constitutional Council, an Economic and Social Council, a Higher Council of Information, and a mediator.

Our activity will be pursued with the goal of achieving the ideas contained in the joint program adopted by the prodemocracy parties, through constructive and responsible joint initiatives.

M'Hamed Boucetta, for the Istiqlal Party; Abderrahmane El Yousfi, for the USFP; Ali Yata, for the PPS; and Mohamed ben Said, for the OADP.

11 May 1993

#### Official Response to Expatriate Workers Demanded

93AF0596A Rabat AL-'ALAM in Arabic  
11 May 93 pp 1, 2

[Article: "Where Has Issue of Employment of Moroccans in Spain Reached"]

[Text] In a frontpage article published by AL-'ALAM on 9 April 1993, we wondered about the position of the Ministry of Employment, along with that of the Ministry of Moroccan Communities Abroad, on the truthfulness of the report concerning the employment of Moroccan labor in some seasonal and service sectors in Spain, especially in agriculture, construction, and domestic work.

It seems that the official government authorities aren't prepared "psychologically" to deal with this issue, even at the information level. This motivates the ordinary citizen to interpret and explain the official silence wrongly, even if only for the sake of illusory self-persuasion.

What does the ordinary citizen say in the face of the negative silence and of the media evasion on this issue that has stirred the unemployed in the various parts of the country and has motivated them to consider embarking on ventures similar to the death-boat ventures?

What we have been told in part is that some parties are thinking of exploiting this "deal" in the forthcoming parliamentary elections. This is what has motivated some middlemen in the human trade and some occasion-exploiting traders to spread rumors that they will secure work in Spain for the unemployed if they "win" in the coming elections!

In any case, the Ministry of Employment, along with—we repeat—the Ministry of Moroccan Communities Abroad, are required to abandon their silence and to acquaint the public opinion with the true nature of the process of the "employment" of unemployed Moroccans

in Spain so that this issue will not be exploited by middlemen of the human trade, some of whom have already begun to prepare lists in return for money payments and vote guarantees!

We should point out in this regard that the rumors about the "share" of Moroccans whose residence in Spain hasn't been determined to date are groundless and that "employment" will only include seasonal workers who will be guaranteed to return home at the conclusion of their work contract. This has been confirmed to us by a Spanish expert.

### Family Seeks Reinvestigation of Prisoner's Death

93AF0593B Rabat AL-'ALAM in Arabic 10 May 93 p 2

[Article: "Will Investigation of Circumstances Engulfing Death of Mehdi Sabouni at Casablanca Civilian Jail Be Reopened; He Went to Security to Inquire About Reasons for His Son's Arrest and Ended Up in Jail Where He Died a Violent Death"]

[Text] Casablanca—We have been told that a new case may surface in the arena. It concerns this time the Sabouni family which seeks to stir the dossier relating to the circumstances of Mehdi Sabouni's death. This dossier attracted Casablanca's public attention in 1988 when the late Mehdi died in the Casablanca civilian jail where he had been kept under precautionary detention to be tried for the misdemeanor of hitting and insulting police employees working at the 27th precinct, located in Bournazil Quarter. A report was filed on 29 June 1989 against an unidentified person for beating and wounding, which led to Sabouni's death. The family demanded that an autopsy be performed on the body. The autopsy revealed that the death was fundamentally the result of violence. This caused the investigation to be resumed. An investigating judge examined the incident and issued on 12 November 1990 a decision not to follow up on the case because the perpetrator continued to be unidentified. The dossier was filed, pending the emergence of new evidence. But Sabouni's heirs appealed the decision before the criminal chamber of the Casablanca Appeals Court, which issued a decision supporting the investigating magistrate's decision because the perpetrator was still unidentified.

Will the Mehdi Sabouni file be reopened, and will new evidence surface to confirm or deny the accusation? This is what the coming days will reveal.

It is worth noting that Sabouni was a well-known employee of the health sector for years. He went to the said security department after he was told that his son had been detained there as a result of a dispute with his wife. This was the beginning of events that ended with the victim's death in jail after the judiciary police filed a report confirming that he had been accused of insulting police employees and policemen.

### Increase in Foreign Investments Reported

93AF0593A Rabat AL-'ALAM in Arabic  
11 May 93 pp 1,2

[Article: "1992 Foreign Investments in Morocco Increase but Approved Total Investments Register Tangible Decrease"]

[Text] The latest edition of the Banking Bureau pamphlet reports that private foreign investments in Morocco rose by 31.5 percent in 1992, amounting to 4.2975 billion dirhams, compared to 3.2692 billion dirhams in 1991.

These investments have been financed through foreign exchange remittances amounting to 77.7 percent [of the value of investments] or 3.3377 billion dirhams.

Investments from France amounted to 23.5 percent (1.0105 billion dirhams); from Spain, 18.8 percent (809.8 million dirhams); from Spain, 6.8 percent (293.3 million dirhams) [as published]; from Switzerland, 6.4 percent (274.9 million dirhams); from Saudi Arabia, 5.2 percent (225.1 million dirhams); from the Belgium and the Benelux Economic Union, 5 percent (213.9 million dirhams); from the Netherlands, 4.4 percent (188.4 million dirhams); and from the UAE, 4 percent (173.7 million dirhams).

A share of 25 percent (1.0738 billion dirhams) of these investments has been channeled toward industrial activity, 11.6 percent (497.8 million dirhams) toward the mining sector, 11.5 (494.6 million dirhams) toward the banking sector, 7.8 percent (334 million dirhams) toward the real estate sector, and 6.7 percent (286.6 million dirhams) toward commerce. A share of 6.5 (278.4 million dirhams) was channeled toward contributions to Holding (Consortium) and 3.6 percent (169.2 million dirhams) went toward major [construction] projects.

Despite the development experienced in foreign investments, figures already published indicate that the 1992 national investment effort retreated and that the approved total investments decreased by 7.2 percent, according to a pamphlet published by the Moroccan [Data?] Center.

### Cost of Living Figures Up; Salaries Unchanged

93AF0600A Rabat ALMAGHRIB in French  
12 May 93 pp 1-2

[Article signed N. B.: "Cost of Living: Rising Prices"; first two paragraphs are ALMAGHRIB introduction]

[Text] Ten days after the employment minister's speech on Labor Day announcing that there would be no wage increases, Foreign Exchange Bureau statistics reported a new increase in the cost of living in Morocco.

Thus, last March, the cost of living index computed on the basis of 210 items (index computation vectors

assessing the rate of change in the cost of these products) indicated an overall increase of about 1.2 percent.

The breakdown of this increase by product groups shows that the food sector experienced the highest rate of increase (1.8 percent); followed by housing (0.8 percent, including 0.6 percent for rents); clothing (5 percent, with variations by subsector: the cost of underwear, for instance, increased by 1.5 percent); maintenance, hygiene and care (0.4 percent, characterized mainly by the unplanned increase in the cost of medical care and examination); transportation; leisure and related items (about 0.3 percent).

What we have, therefore, is a systematic process of increase of the cost of living, irrespective of the sector concerned.

This series of increases calls for several remarks:

1. The highest increase affected specifically broad use sectors, namely foodstuffs. Now, we know that this sector must meet broad consumer needs. Other sectors, such as health and hygiene, transportation and rents, are equally important, considering the extent of the demand in these sectors (for instance, medical care and rents) in spite of frozen wages and dwindling resources to pay for medical products.

2. The March increase in the cost of living index (+1.2 percent) was much higher than during March of last year: it was 4.7 percent higher, while the index rose by an average annual value of about 4.5 percent, and the cumulative increase for the year can be estimated at about 13.8 percent.

3. At a time when the government is calling for peace between labor and employers, and when the labor union scene is marked by the tension resulting precisely from the deadlock of the "dialogue" started a few months ago between the main labor and employers organizations and the government, and soon interrupted, the rising cost of living compounds the various factors that fuel this social tension, which the country really does not need.

4. This regular increase is out of line with the purchasing power of most of the Moroccan people, in that the increase in the cost of living is not offset by a gradual revaluation of wages, much less a revaluation of social allocations (social security and medical insurance), which might offset the rise in the cost of living, even partially.

All these factors together lead to a deterioration of working conditions (union protection, unemployment, and underemployment) just when the country is about to vote (legislative elections of 25 June).

Politically, the government justifies the lack of any wage increase by Morocco's international commitments, including the nonrescheduling of its foreign debt and the obligation to honor all debts becoming due in 1993; nevertheless, this should be accompanied by measures

ensuring sound truth in pricing, which seems to dominate this systematic race toward a higher cost of living.

In addition to being regulated by supply and demand, in a social system like ours prices should remain below a threshold beyond which any price increase will make social problems worse.

### Dependence on Grain Imports Discussed

93AF0593C Rabat AL-'ALAM in Arabic 13 May 93 p 5

[Article: "Because of Poor Grain Crops, Morocco Is Compelled to Increase Grain Imports; It Is Necessary to Import Millions of Quintars, Regardless of Condition of Crops"]

[Text] In an interview with AL-HAYAH AL-IQTISADIAH, the agriculture minister has confirmed the "catastrophic" expectations that grain crops will not exceed 20 million quintars in the current season.

Thus, this season will be added to the last season, which was also characterized by drought and in which crops did not exceed 29 million quintars. This sequence is similar to what was experienced in the early 1980s. The agriculture minister stressed that normal conditions prevail insofar as other farm crops and livestock are concerned. As a result, Morocco will be compelled to import large quantities of grains to make up for the shortfall in domestic production, to meet the population's consumption needs, and to secure fodder for livestock. Grain imports could exceed 30 million quintars next year, surpassing record imports registered previously, with all the subsequent consequences to the trade balance. The deficit increased by 28.6 percent, amounting to 29 billion dirhams, compared to 22.4 billion dirhams in 1991. There are numerous causes for the increase, especially the growing bill for food imports (nearly 2.3 billion dirhams more), most of which is grain.

It is well known that Morocco continues to import large quantities of grains, especially wheat, regardless of the condition of the domestic crops. Despite record crops in 1990-91, amounting to 86.6 million quintars, Morocco imported 20 million quintars of grain. In the 1987-88 season, which also registered a record figure of 79.4 million quintars, Morocco imported more than 15 million quintars. In the 1988-89 season, when the crops amounted to 74.2 million quintars, Morocco also imported more than 15 million quintars. Grain import figures have been higher in dry years, amounting to 27.2 million quintars in 1984, 26.6 millions in 1981, and more than 19 million quintars in each of 1982 and 1983. By October 1992, grain imports amounted to 24.3 million quintars. Morocco was forced to pay cash for them last year, as stated by the finance minister, whereas it had been able to obtain loans for a large part of its grain purchases in previous years, especially from the United States in accordance with the PL law, which promotes U.S. exports by offering purchase loans.



According to figures published by the Moroccan Foreign Trade Bank, Morocco's grain imports have developed as follows:

In the 1967-71 period, imports averaged 5.2672 quintars annually.

In the 1972-76 period, imports averaged 9.3906 quintars annually.

In the 1977-81 period, they averaged 18.1584 quintars annually.

In the 1982-86 period, the annual average was 20.6044 quintars.

In the 1987-91 period, the annual average was 17.1339 quintars.

The figures show that grain imports have continued to rise since 1967, tending toward a relative decrease in the final years of the last decade, during which good crops were produced. But imports resumed their climb last year.

#### **Lack of Facilities for Fishing Fleet Criticized**

*93AF0596D Rabat AL-'ALAM in Arabic 11 May 93 p 4*

[Article by Redouan Khemli: "Casablanca: Fishing Port and Wholesale Problems"]

[Text] The Casablanca fishing port is one of Morocco's oldest ports by virtue of its presence in the economic capital. It would have behooved the responsible authorities to transform it into a model to be emulated at the national level, considering that it receives the largest number of fishing boats, in addition to citizens who come to visit the port or to purchase fish there and market them in the country. At a time when the Ministry of Maritime Fisheries and the Ports Utilization Bureau should have enlarged the port and added other wings to it to alleviate the severe problems it experiences, these authorities made the situation worse by narrowing the port, thus making it unable to accommodate all arrivals. Moreover, it lacks the simplest facilities, such as lavatories, sprinklers, and water fit for cleaning fish, especially in the afternoon. This is why boat officials and sailors urge the need to watch fish arriving aboard trucks in remote cities because they are washed with the warm water in a stream close to the pier. Moreover, a boat cannot go out fishing if it isn't supplied with water. [sentence as published]

Necessity also calls for building a clinic for emergencies and for providing showers for showering, as in the case of other ports, plus lavatories.

It is also required to enlarge the boat-maintenance areas [drydocks] because they are no longer capable of accommodating out-of-order boats, thus causing them to be idled.

Furthermore, it is necessary to enlarge the fish market, which has a small area when compared with the volume of fish offered for sale and with the number of boats arriving in the port.

Control must also be established over frozen fish that are prohibited from entering the port but still enter it illegally and are sold in the market.

In a related area, boat owners continue to experience numerous problems, especially with the rising cost of equipment, which knows no stability. This is why a boat equipment cooperative must be established to make it possible for boat owners to acquire such equipment at proper prices. Moreover, strict control must be established over private establishments selling such equipment.

It has also been noticed that the port lacks the means of rescue, even though boats do their duty by paying one-thousandth of the value of their sales for the purpose. Moreover, not enough fuel is available for all boats at the Casablanca Port.

The main problem experienced by all boats is the high cost of insurance. The government, rather than the private sector, should shoulder this responsibility.

The condition of the Casablanca fishing port requires the authorities in charge to pause to consider improving the port's miserable conditions and accelerating appropriate solutions that are likely to enhance the face of the economic capital and, consequently, to improve conditions for both boats and citizens arriving in the port.

#### **SAUDI ARABIA**

##### **Shaykh Bin-Baz Defines Duties of Ruler, Ruled**

*93P50213A London AL-SHARQ AL-AWSAT in Arabic 22 May 93 p 16*

[Interview by 'Abdallah al-Rifa'i with Saudi senior religious scholar 'Abd-al-'Aziz Bin-'Abdallah Bin-Baz; place and date not given]

[Excerpts] Riyadh—AL-SHARQ AL-AWSAT previously published the proclamation made by the general leadership for scientific research, legal opinion, missionary work, and spiritual guidance in the Imam Faysal Bin-Turki Mosque in Riyadh. The title was "Jurisprudence in Religion" by Shaykh Dr. Salih Bin-Fawzan al-Fawzan, member of the body of senior ulema, with a commentary by Shaykh 'Abd-al-'Aziz Bin-'Abdallah Bin-Baz. The proclamation and commentary induced many questions and inquiries among our readers. Due to the importance of the subject to the newspaper's readers, AL-SHARQ AL-AWSAT collected the questions and inquiries from the readers, sorted them, and concentrated them into nine questions covering the various matters which prompted these questions and inquiries. It presented them to Shaykh 'Abd-al-'Aziz Bin-Baz as follows:

[Al-Rifa'i] Among these questions is the issue of the relationship between the ruler and the ruled, and the legal rules for this relationship. Your Eminence, there are those who think that the rulers' commission of sins and grave offenses requires one to fight against them and try to bring change, that harm results from this for the Muslims in the community, and also many misfortunes from which our Islamic world suffers. What is Your Excellency's opinion in this?

[Bin-Baz] in the name of God, the blessed, the merciful.

Praise God, the lord of the worlds, and the blessings of God be upon the Apostle of God, on his family, on his friends, and on those who are rightly guided by him. God said, "O ye who believe! Obey God, and obey the Apostle, and those charged with authority among you. If ye differ in anything among yourselves, refer it to God and his Apostle, if ye do believe in God and the Last Day: That is best, and most suitable for final determination." [Surah IV, Verse 59, Koran] This verse [ayah] stipulated the necessity of compliance with those charged with authority, the princes and ulema. The correct tradition [Sunnah] came from the Apostle of God, stating that this compliance is necessary. It is a religious duty for the common good.

The texts from the Sunnah clarify the meaning, and the verse explains that compliance is desired for the common good. Muslims must comply with the authority of commands for the common good, but not with sinning. If they order [Muslims] to sin, they should not comply in the sin, but they should not fight against [the rulers] because [the Apostle Muhammad] said, "Whosoever sees his ruler commit a sin against God should detest the sin against God, but should not refrain from obedience, for whosoever fights against obedience and divides the community shall die the death of a pagan." He said, "One should hear and obey what is desired, and detest it whether it is easy or difficult, or pleasant or loathsome, except if one is ordered to sin against God, one should not hear or obey." The companions asked the Apostle of God (when he stated that there are princes that can be approved of and those that can be detested), what are you ordering us to do? He said, "Let them do what they will and ask God what you should do." 'Abbadah said, "Tell us, O Apostle of God, whether his people should not refrain from carrying out the order." He said, "They should not unless they see an open blasphemy against God and there is proof." This indicates that they should not question the authority of orders and not fight against them, unless they see that there is an open blasphemy among them and there is proof of this. This is not simply because fighting against leaders causes great corruption and greater evil. Public order is disrupted and rights are curtailed. It is not possible to deter the transgressor nor to help the transgressor against. Circumstances become unbalanced and insecure. Great corruption and greater evil are the consequences of fighting against leaders, unless Muslims see that there is an open blasphemy against God among them and there is proof. It does not matter that they fight

against this ruler to eliminate him if they have the power. If they do not have the power, they should not fight lest the fighting cause more evil, and their fighting not be in the public interest. The legal principle by consensus is that an evil not be eliminated by that which is a greater evil. Indeed, one should avert the evil by doing that which lessens or decreases it. Averting the evil with more evil is not permitted, by consensus of the Muslims. If a faction which wants to eliminate a ruler who has committed an open blasphemy has the power, eliminates him, and replaces him with a good, virtuous religious leader without causing great corruption among the Muslims and an evil greater than the evil of this ruler, it does not matter. If the fighting causes great corruption, disrupts public order, oppresses the people, and murders those who do not deserve to be murdered—besides the great corruption—this should not be done. Indeed, one should be patient, hear and obey that which is good, and advise the leader to do right. The legal judgment to decrease and lessen the evil and to increase this good is the correct path which should be taken, because in this lies the Muslims' interest generally, and because in this way the evil decreases and the good increases. In this way, public order and the peace of the Muslims is protected from a greater evil. We ask God's success and guidance for all.

[Al-Rifa'i] Your Eminence, we are aware that these words are principles of the adherents of the Sunnah and consensus, but there are (unfortunately) sons of the adherents of the Sunnah and consensus who believe that this is defeatist thinking and that there is in it something of weakness; they reject these words. For this reason, the young men call for basing change on violence.

[Bin-Baz] Those who say this are wrong. They understand little, because they do not understand the Sunnah and do not know it as it ought to be known. However, fervor and zeal motivate them to do away with objectionable actions, even if they break the law, just as the Kharijites and Mutazilites [early schismatic sects of Islam] did. A love of supporting what is right or a zeal for what is right impels them. It impels them into deception, so that they lead the Muslims to stray into sin or lead them to abide forever in hell as the Mutazilites do. [passage omitted on the sins of the Kharijites]

[Al-Rifa'i] If we assume that a struggle by a group is sanctioned, does this justify killing the adherents of this ruler, and all of those who work for his government, such as the police, the security people and others?

[Bin-Baz] I have already told you that one should not fight against the leader except on two conditions, one of which is the presence of a clear blasphemy against God for which there is proof, and the second is the capability of elimination of the ruler in a way which does not cause a greater evil. Without them, one should not fight.

[Al-Rifa'i] Some of the young people believe, may God protect you, that treating unbelievers roughly, whether they are settlers in an Islamic country or are rightfully

visiting foreigners—some of them regard it as lawful to kill them and rob them if they see them do something that they disapprove of.

[Bin-Baz] One should not kill the trusting unbeliever or the sinner who enters the country in good faith, nor should one commit a hostile act against them. As for forbidden acts, one should not act, kill, or strike, but should cooperate with the ruler, which is best so that the law of God decides on the wordship of God. However, it is [the ruler's] duty to advise and to guide toward the right path. It is his duty to censure the blasphemer as is best. This is his duty, "so fear God as much as ye can," [Surah LXIV, Verse 16, Koran] because censure by action or killing or striking results in greater evil and greater corruption without doubt. There is no doubt about this for those who examine and become aware of these matters.

[Al-Rifa'i] Is the matter of accepting or not accepting blasphemy—and in particular of change by action—the right of all, or is it the specific right of the ruler or the one who is designated by the ruler?

[Bin-Baz] Change is the right of all. The prophet says, "He among you who is a blasphemer, change him by action. If you cannot, change him by your words. If you cannot, change him in your heart, and this is the weakest of oaths." But change by action must not be by a force which results in more and greater evil. Change by action must be in one's house with one's children, with one's wife, with one's servant, with one's employee within the particular framework where it is appropriate to change something by action. However, one should not change anything which is not changed in an appropriate way,

because if one changes something by action which results in a greater evil, it will cause more misfortune and greater evil between him and the people or between him and the state. However, to change something by word, as has been said, fear God, whoever you are. This should not be done, this is forbidden to you. This is your duty which is set out by proofs of the law. By word or deed, it is permissible in one's house with one who is in your power, with one whom you may legitimately order to do right, within the spheres where one wields authority and may legitimately enforce allegiance to it by the legitimacy of God, and nothing more.

[Al-Rifa'i] There are those who believe, may God protect you, that they have the right to fight against public institutions which the ruler has established, such as traffic, customs, passports, etc., on the grounds that they have no legal basis. What do you say, may God protect you?

[Bin-Baz] This is false. This is forbidden. It has already been said that one should not fight and should not change things by action, but should hear and obey in these matters in which there is no blasphemy. Indeed, the ruler establishes them in the interest of the Muslims. One should submit in this and hear and obey, because this is an accepted act which serves the Muslims. What is not acceptable is a tax which one sees is not just. The ruler should examine this by appealing for advice to God to guide him to do right—not to strike anyone or shed anyone's blood or punish anyone without need or proof. No, one must not take to oneself authority of the state which the ruler has the right to wield, except advice or guidance, and except with those who are in his power. [Passage omitted on the duty of allegiance to the ruler]

## BANGLADESH

### Government Seen in Quandry Over Golam Azam Issue

93AS0868D Dhaka DIALOGUE in English 30 Apr 93 p 5

[Article by Kazi Montu: "The Government Goes for a Balancing Act"; italicized words, quotation marks as published]

[Text] Dhaka: After a brief lull the political arena of Bangladesh has been warming up again, centering on the Golam Azam issue. In the wake of his victory in the long-drawn legal battle over his citizenship, the National Co-ordination Committee for Implementation of the Spirit of the Liberation, known as the *Nirmul Committee*, has resumed its militant campaign for his prosecution as a war criminal.

The High Court has restored his citizenship which was cancelled in 1973 for his role during the war in 1971. The cancellation of his citizenship has now been declared illegal and by implication his election as *Ameer* of the *Jamaat-e-Islami* is no longer repugnant to the Constitution of Bangladesh.

However, the government has decided to file an appeal in the appellate division of the Supreme Court against this judgement. The case, arising out of a writ petition submitted last year by one of his sons, was initially tried by two judges. But because of a split judgement, it was referred to a single bench court of Justice Anwarul Huque Chowdhury, by the Chief Justice.

Prior to an expected judgement, the works minister and BNP [Bangladesh Nationalist Party] joint secretary-general Rafiqul Islam Miah, suddenly criticized the *Jamaat* in forceful language. This was interpreted by some as a ploy to deflect criticism of the government as a *Jamaat* ally in case of restoration of Azam's citizenship by the court.

In her reaction to the judgement, the *Nirmul Committee* convener Jahanara Imam said: "It does not matter whether Golam Azam's citizenship is restored or not. What we want is his trial as a war criminal." She appears determined to continue with the movement and hope for a trial by a Special Tribunal. The opposition parties, the *Awami League*, the *Five-party Alliance* and the *Ganotantri Party* have reaffirmed their support for the programmes of the *Nirmul Committee*.

#### Government Stand

Explaining the government's stand on the issue, the works minister has said that the issue has to be resolved as per constitutional provisions and the law of the land. He pointed out that the government was ready to implement the 4-point agreement signed with the opposition in parliament on June 30 last year.

According to him, the *Nirmul Committee* is obstructing its implementation through such unlawful bodies as a

*Gano Adalat (People's Court)* and a *People's Enquiry Commission*. As for the trial of Golam Azam, the ruling party leaders say that anybody can institute a case against him if there is any specific charge. The government also contends that the *International War Crimes Act of 1973* became inoperative with the abolition of the post of chief prosecutor. The anti-Golam Azam movement arose following his election and the *Ameer* of the *Jamaat-e-Islami* on December 29, 1991, despite the fact that his citizenship was rescinded on charges of collaboration with the Pakistani army. Moreover, after independence the *Jamaat* has refused to offer any public explanations for its stance during 1971.

#### Sedition Cases and People's Court

The *Nirmul Committee* was formed on February 11, 1992 with Jahanara Imam as its convener. Subsequently, the movement has undergone several changes.

Till March 26, 1992, the movement was based on a demand to try Golam Azam in a *Gano Adalat (People's Court)*. Justifying its constitution, Imam said: "If the government cannot try a war criminal, the people can do it unitedly." A number of political groups have extended support to the *Gano Adalat* concept.

Golam Azam was arrested on March 24, 1992 under the *Foreigners' Act* and the following day the government issued a press note terming the "so-called *Gano Adalat*" illegal. However, in defiance of the government order, the *Nirmul* staged a symbolic trial on March 26 and in its 'verdict', said that Azam had committed crimes liable for a death sentence. The *Nirmul Committee* urged the government to implement the verdict. The government responded by instituting sedition cases against the sponsors of the so-called people's court. The issue, raised in parliament, led to a walk-out by opposition MPs [members of Parliament] from April 16 to June 29. The four-point agreement brought an end to the walk-out and speculation about the fate of parliament.

The agreement included, among other things, the prosecution of Golam Azam as per the existing law of the land and the withdrawal of a sedition case against the 24 sponsors of the *Gano Adalat*. On June 30, the *Nirmul Committee*, at a rally, announced a four-point demand—the trial of Golam Azam as a war criminal, withdrawal of the sedition cases, a ban on the politics of the *Jamaat-Shibir-Freedom Party* and an end to the harassment of its activists across the country.

The *Nirmul Committee* which claims to be an apolitical organisation, has in fact always had a apolitical colouring and particularly since the *Awami League* chief Sheikh Hasina attended its grand rally on October 14 last year as the chief guest. Consequently, there has been some dissension in the anti-Golam Azam movement.

### Programmes

On December 10 last year, the Nirmul Committee observed a programme of forming a human chain in the city in a bid to augment public support for its cause. It was part of a series of programmes announced at the October 14 grand rally. A half-day *hartal* was observed on November 8 so as to press for acceptance of its four-point demand. There was another *hartal* all over the country on December 8 last year. Protests against the demolition of the *Babri Masjid* in Ayodhya was added to its original demands.

### Post-1975

Under the anti-Golam Azam movement, the so-called pro-liberation forces have hoped to tip the balance of politics in favour of the pre-1975 polity. In a bid to enhance its standing, the ruling BNP, which was wedded to the post-1975 polity, has evidently compromised its position and borrowed some of the pre-1975 politics. There have been changes in the vital institutions of the government.

The restoration of Golam Azam's citizenship has, however, bolstered the morale of Jamaat leaders and activists who were being driven into a tight corner in national politics because of the anti-Golam Azam movement. Although the demolition of the Babri Mosque and communal riots in India benefitted them politically, the Jamaat have been disappointed by the attitude of the government towards them.

After the judgement, the Jamaat leadership has sought the release of professor Golam Azam from jail. The court, however, refrained from making any comments on this issue which is being dealt with through another and parallel case.

### Growing Islamization Termed 'Frightful'

93AS0868A *New Delhi ORGANISER in English*  
9 May 93 p 29

[Excerpt from article by M. V. Kamath: "Growing Islamization in Bangladesh"]

[Excerpt] Now that the SAARC [South Asian Association for Regional Cooperation] conference in Dhaka is over a few thoughts on the situation in Bangladesh concerning Hindu-Muslim relations should be in order. So little has been written about them in the Indian press either out of ignorance or a desire not to further exacerbate Indo-Bangladeshi relations or in observance of the dictum that what is not known is best left unknown. About the only daily in India to give a full portrait of what happened in Bangladesh soon after the demolition of the Babri structure in Ayodhya on 6 December is THE WEEKEND OBSERVER, 30-1-93. The author of the article, Chandan Nandy based his information on reports published by a number of Dhaka-based newspapers which spoke about "the medieval barbarity" perpetrated by "organised marauders in thousands" who

plundered and pillaged Hindu houses, shops and temples even as the Khaleda Zia government denied any disturbances. Nandy noted that "as many as 40 out of a total of 64 districts in the country had witnessed the communal conflagration directed against the minority Hindu community...not infrequently in the presence and under the gaze of the police." The only consolation is that apparently mainstream non-communal opposition parties separately and jointly condemned the brutalities and assailed the ruling BNP [Bangladesh Nationalist Party] government within and outside Parliament for its failure to protect the life, honour and property of the Hindu minority. According to Nandy the Bangladesh press also "showed unique determination to expose and condemn violence when seven leading newspaper came out with identical editorials on the same day, 12-3-92, urging communal harmony." A series of impassioned write-ups by eminent intellectuals of Bangladesh also bemoaned that the communal violence had surpassed the records of the 1964 communal riots in East Pakistan.

From available information Nandy reported that "at least" 21 people, including the old and the infirm, women and children were killed "and thousands" injured. According to him—and so far the information has not been disputed—"thousands of houses and shops were destroyed in arson, rendering not less than 500,000 Hindu destitute, 3,000 temples were razed and as many Hindus women abducted and raped."

That is a frightful tally by any account. Are these figures reliable? The Government of Bangladesh is silent on the score. The Government of India has kept mum. Nandy has stuck to the figure of 3,000 temples destroyed or damaged by Muslim mobs quoting an unnamed MP [member of Parliament] in the Bangladesh Parliament. According to reports published in dailies like *Sangbad*, *Banglar Bani* and *Bhorer Kagoj*, 199 temples and their deities were damaged, the most prominent among them being the Swamibagh Ashram and Joikali Temple in Dhaka, Ramakrishna Mission premises at Narayanganj, the historic Abhaya Ashram and Chandi Ma Temple in Comilla, the Kaivalya Dham, Panchanan Dham and Sadarghat Kalibari in Chittagong, Ramakrishna Mission, Nimbark Ashram, Lamabazaar Akhra and Balaram Jiu Akhra in Sylhet. There is no independent corroboration of these figures and perhaps one has to send Mr B. G. Verghese and a photographer from INDIA TODAY to check on whether these published figures are correct.

It would seem that in most districts, a section of the student and youth fronts of the ruling BNP were actively involved in the incidents of loot and arson. According to the report by Nandy "the worst example of the involvement of the BNP was the massive acts of loot and arson in Bhola district, where 50,000 Hindus rendered destitute by the December communal riots are still living in make-shift refugee camps in Bhola town." [Passage omitted]

**Hasina Wajed Berated for Celebrating 'Hindu' Customs**

93AS0868B Calcutta *THE STATESMAN* in English  
8 May 93 p 8

[Editorial: "Hardly 'Hindu'"]

[Text] How far are "Hindu" customs acceptable in Islamic society? This question has risen in Bangladesh since April 14, the Bengali New Year day, when the leader of the Opposition and Awami League chief, Mrs Hasina Wajed, lighted several "mangal pradips" (ceremonial lamps) and sent them floating on a lake to usher in Poila Baisakh. Yet another bone of contention was provided by "ulu dhwani"—a sound made by women on auspicious occasions, also regretted by some Bangladeshis as a "Hindu" practice. Apparently, this sound was made by women on auspicious occasions, also regarded by some Bangladeshis as a "Hindu" practice. Apparently, this sound was made during the inauguration of a cultural festival organized by the country's leading intellectuals and artistes, also on the occasion of the Bengali New Year. A section of the Muslim clergy and fundamentalists condemned Mrs Wajed and the organizers for what they viewed as "un-Islamic acts". This is not all. Even the age-old custom of greeting a person with a "namaskar" has been faulted for being "a purely Hindu custom". The controversy is unlikely to die down in a hurry.

Ever since the liberation of Bangladesh, a grim tussle has been on between those who are in favour of introducing Urdu words and phrases and those who insist on sticking to the Bengali language. This is hardly surprising since the roots of the nationalist movement in the country lay in language, a movement which claimed heroes as well as martyrs—a fact fondly remembered every year on February 21, when students of Dhaka University were gunned down by the police of the then East Pakistan. No wonder that the ordinary Bangladeshi, while continuing to use the word "pani" for water and saying "ji" for Yes, said a firm "No" to "a dawlat" for an invitation to "meheman" to describe a guest. There was nothing sacrilegious about this; in fact, there is nothing whatever to suggest that those who opposed the surreptitious intrusion of a foreign tongue were lesser believers in Islam than the rest. They simply did not equate language with religion, to the extent that their loyalty to their mother tongue far exceeded that of their Bengali counterparts on the other side of the Padma. By the same token, they have associated with the "namaskar" and the rest of the so-called "Hindu practices" with culture, not religion. And where is the harm in that? Sadly, religious fanaticism adamantly refuses to make such distinctions and, quite often, that proves to be its greatest weakness in an otherwise commendable belief in God.

**BNP, Jamaat-I-Islami Alliance Said Sharply Split**

93AS0868E Dhaka *HOLIDAY* in English  
30 Apr 93 pp 1, 8

[Article by Enamul Haq: "Triangular Political Fight"; italicized words as published]

[Text] To the invectives traded at regular intervals by the ruling Bangladesh Nationalist Party [BNP] and the leading opposition party Awami League have now been added the vitriolic exchanges between BNP and Jamaat-e-Islami. This has suddenly put Jamaat on the centre-stage of national politics. The transformation of its erstwhile ally BNP into its adversary has spared Jamaat the need to rely too heavily on the much-abused Golam Azam issue. It can now safely target its arrows at the centre of power where an uncanny assemblage of innocents has for the last two years been making a perfect farrago of politics and government.

The Jamaat's threat, especially after a high court verdict in favour of his Bangladeshi nationality, that if its ameer Golam Azam was not released forthwith it will launch an agitation to pull down the government, which in its estimation has started running a race with the Awami League for Indian servitude, evoked immediate and sharp reaction from BNP. Works Minister Barrister Rafiqul Islam Mia went to the press in his capacity as the party joint secretary-general to say that the Jamaat "remains sharply divided on the Golam Azam question" and that the recent utterances of its leaders in respect of the country's independence and the present elected government were "illogical, motivated and irresponsible". Sharp came the retort that it was Jamaat's support which helped BNP come to power and it was Prime Minister Khaleda Zia who went to Golam Azam to seek that support. The Jamaat also made the not-so-veiled accusation that it was the BNP government which floated the Nirmul Committee to stage a public trial of Golam Azam for his war crimes just to spite-Jamaat and curb its growing influence.

The fact is that the Golam Azam issue had been there ever since 1978 when he was allowed by the Ziaur Rahman government to visit Bangladesh on a Pakistani passport. Successive regimes avoided taking any action on his application for a Bangladesh passport or proceeding against him either for his overstay in this country as a foreigner or for his war crimes. The question of his public trial was first raised at the beginning of last year only after he was made de jure ameer or supreme leader of Jamaat.

Initially the government did nothing to stem the public anger. Its dilemma was an open invitation to the Awami League and other opposition forces to join hands with the non-party Nirmul Committee which spearheaded the public trial. Golam Azam was arrested and proceeded against just before the people's court staged the trial on March 26. That was a year ago. The sudden turn of events then put Jamaat totally on the defensive. A year later its posture is far from defensive.

For Awami League nothing could make happier news than the collapse of the Jamaat-BNP honeymoon. For it was Jamaat which, sitting in the opposition in parliament with 20 seats, would always come to the rescue of the BNP government whenever Awami League manoeuvred a deep crisis for it. Its slender majority forever makes BNP ill at ease in the seat of power. Forever on the lookout for an opportunity to deal a blow at BNP, Awami League, in power or out, never took any initiative in trying Golam Azam or anyone for war crimes but jumped onto the bandwagon of the Nirmul Committee when it found the issue handy to embarrass the government. So did it with SKOP [Workers and Employees Unity Council] and other pressure groups.

The question now is: with Jamaat alienated, will Jatiyo Party, commanding 35 seats in the House, make a bid to take over the buffer role? But, according to reports, prolonged stay of its leader Ershad in Jail and infighting of factions have already weakened JP [Jayita Party] to the point of disarray. What role can it then play? If a move for alliance with BNP brings in the prospect of opening a Pandora's box of complex issues, who is going to talk about it?

Nothing is there to suggest that the two leading political parties can step away from their chosen warpath and make an effort to see eye to eye on any national or international issue. Khaleda Zia's presence at Sheikh Hasina's *iftar* party and Hasina's presence at the 7th SAARC [South Asian Association for Regional Cooperation] summit may have created an impression in the minds of many well-meaning people that the two leaders might be able to strike a working relationship between themselves; but that impression proved to be too weak to stand the test of time. Begum Zia's success in holding the SAARC summit in Dhaka after two postponements has brought about an elevation in the quality of her leadership as she now leads 1.1 billion people in the South Asia region in her capacity as the Association's chairperson. But the unsavoury events around the celebration of the advent of the 1400th year of the Bangla calendar and the two leaders' bitter denouncements of each others' party have been considerably eroding the gains from the summit. Whoever in the government planned to beat up the jubilant Pahela Baishakh crowd at Suhrawardy Udyan just because Awami League backed them did a grave disservice to Begum Zia and her regime.

In her public utterances around the country the Prime Minister never stops short of accusing the Awami League of pursuing politics of destruction and obstructing the development efforts of her government. She keeps on reminding the people that it was Awami League which acted as an accomplice in prolonging the autocratic Ershad regime.

In identical vein Sheikh Hasina tells the people that in the last two years of its rule BNP has given the country nothing but misrule, rampant corruption and a total breakdown in law and order. She says the BNP regime has been following in the footsteps of the autocratic

regime and that there was all-pervasive despair and frustration. BNP, she says, has been acting against the spirit of the freedom struggle and has joined hands with those foreign powers which were opposed to the independence of Bangladesh. And so on. Either leader hardly ever says anything about how to bring about economic recovery or industrial peace or how to restore law and order an academic discipline. Does the plight of the Muslims of Bosnia-Herzegovina figure in their speeches? Or for that matter so many other national or international issues?

The politics of oneupmanship is leading the country nowhere. Awami League is merely exploiting BNP's ineptitude and nervousness in running the administration to create chaos and confusion in the hope of pulling the government down. It is certainly not preparing itself as a responsible alternative government. Who gains if politics in this poorest of poor countries keeps on getting damnably rotten all the time? Certainly not the forces of democracy and progress. If the high heat of current political infighting is allowed to be transferred to the budget session of parliament, which is to convene on May 8, the prospect for norms of parliamentary democracy to prevail will certainly not be any brighter.

#### Jute Exports Said Declining

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[Article by Saiful Bari: "The Politics and Economics of Jute"; italicized words, quotation marks as published]

[Text] Amidst reports that some developed countries have shown interest to remodel the Bangladesh jute industries to be followed by a gradual thinning out of employees in the public sector jute mills, and announcement by the jute minister, A.S.M. Hannan Shah's about the creation of a special fund for the manufacturers of jute goods calls for serious attention.

Even if it is presumed that this forms part of the drive to boost export of jute goods, the huge loss to the government in subsidising the jute corporation requires neutralisation to justify any new investment. It is not known how finance minister Saifur Rahman would react to the creation of the fund as he is "horrified at the wastage of resources to support a large public sector spending."

The revolving fund of US\$2.5 million, to be called *Jute Goods Export Support Funds*, will provide the jute goods manufacturers with the money difference in their prices and those of the Indian jute exporters. The money difference will be decided comparing the national average cost of production at the local jute mills with the price of Indian jute goods. The national average cost will be worked out by averaging the lowest costs of production of both private and public sector mills.

The justification that is put forward by the jute minister to the creation of the fund is: Bangladeshi jute products have become uncompetitive in the international market

due to cheaper Indian goods. It is pointed out that Indian exporters get 40 percent incentive on their exports, bear a low interest rate (only 9 percent) and enjoys the advantage of paying low price for power. Bangladeshi manufacturers are deprived of these facilities and thus are placed at a disadvantage compared to their Indian counterparts.

### Export of Primary Goods

If the draft *Fourth Five Year Plan* is any guide, it has to be admitted that the export oriented traditional industries have suffered from the state of external demand. The primary reason is that export of Bangladesh is still dominated by primary goods like jute and jute goods while substitutes like synthetic fibre has depressed the world-wide demand for natural fibres. The share of raw jute and jute goods exports plunged to 30 per cent in 1988-89 from 90 per cent in 1972-73.

Both the *World Bank* and experts at home have repeated their suggestions to diversify the industries particularly jute and jute goods and switch over to other export-oriented industries that have been identified as having good investment prospects and have scope for finding international markets. Some of these are: cotton textile fabrics, specialised textile fabrics, cotton and other knitwear fabrics, readymade garments (not affected by quotas), silk fabrics, silk and art silk.

Despite the fact that Bangladesh will lose its international market of *carpet backing cloth* (CBC) within the next two years because of the increasing dominance of synthetic fibre—a loss of about US\$30 to 40 million annually—the jute minister believes this country has “bright prospect if it can manufacture jute goods like disposable garbage bags.” The minister’s observation on his return from a trip to US, UK, Belgium and France accompanied by the chairmen of *Jute Marketing Corporation and Jute Marketing Association*, in fact, fails to take into account the other factors that are needed to reduce the cost of production to compete with Indian exports. Creation of a special fund will hardly produce the desired results unless there is an improvement in labour productivity through strict enforcement of industrial peace and discipline; regular emphasis on production planning, product development, quality control and market research; strengthening efforts to reduce wastage and aggressive salesmanship to develop markets.

The minister might have noticed ‘keen interest’ among Western buyers to import disposable garbage bags from Bangladesh and a chance for the export of about 50,000 metric tons of bags a year and ‘tremendous demand’ for jute carpets in Europe but analysts believe these are not enough to correctly identify products with firm international demand growth potential. “Diversification is a must,” says an economist of national repute, “but selection of item has to be made after careful study and research.”

### Decline in Exports

Cross country experiences of successful export-led development speak of the importance of selection which calls for policy consideration with respect to the growth of export-oriented industries. The creation of fund is not the solution. The decline of the share of jute and jute goods exports by 60 per cent in the last 20 years should be an eye opener.

In the 19th session of the *International Jute Council* held in Dhaka recently, the Bangladesh jute minister himself referred to the findings of the World Bank and FAO [Food and Agricultural Organization] study that there would be a shrinkage in the consumption of jute in North America and Western Europe. He urged the Council “to give careful consideration to such a situation and formulate plans and programmes for the future.” His appeal to halt the downward trends in jute production and marketing caused by recent international, political and economic developments was genuine. “We need to have more diversified use of jute to face the present day challenge and thereby save the livelihood of millions of people in the world who are directly or indirectly involved in planting, processing and marketing of jute products,” he said.

He noted that the European Community’s markets for jute goods have grown a little bit, the situation in the USA remains contrary. He hoped with the intensification of the *Green Movement* in Europe the position of products made with natural fibres like jute would further improve.

The three-day Council session attended by representatives from five exporting and 25 importing countries of the Dhaka-based *International Jute Organisation* (IJO), however, discussed the declining market of jute and jute goods. It also took into consideration the factor of lower unit price of jute goods in the international market. It advised the International Jute Organisation to look into fresh avenues for expansion of the environment friendly fibre and stressed the need for greater resource mobilisation in this regard. It approved a *Market Promotion in Western Europe-Interim Programme*.

Policy makers and planners in Bangladesh must be worrying as to how to fulfill the country’s export earning target for the current year which has been fixed at Taka 97,500 million—28 percent higher than that of last year when the international demand for jute and jute goods has slumped to an alarming level. The 19th meeting of the Parliamentary Standing Committee of the commerce ministry, however, had the satisfaction of hearing at least one bit of good news—Bangladesh’s export items have risen from 70 to 35 countries in 1972 to 115 items to 110 countries in 1993.



## NEPAL

**Foreign Reserves Rise to 31.82 Billion Rupees**

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in English 4 Jun 93 p 1*

[Text] Kathmandu, June 3—Analysis of the economic indicators of the first ten months of the current fiscal year shows improved price situation, expansion of export sector, increased foreign exchange reserve, improved balance of payment situation, and some reduction in monetary liquidity in the country in that period.

A press communique issued Thursday by the Nepal Rastra Bank [Central Bank] says that as for the price situation (on the point basis), the national consumer price index in the urban areas rose only by 5.8 percent during the ten months as against 22.5 percent in the corresponding period of the previous year.

Collective index of food and beverage rose only by 2.3 percent this year as against 25.8 percent in the period under review in the previous year.

Likewise, non-food items and service group index recorded 12.6 percent increase this year vis-a-vis 16.5 percent last year.

The improvement in the price situation of food items and beverage group is due to favourable weather condition in Nepal notwithstanding foodgrain production loss and improvement of foodgrain production and price situation in India, non-export of foodgrain from Nepal to India and flow of foodgrain into Nepal from across the Indian border.

Besides, good production of pulses, spices and oilseeds in India also had positive bearing on their import in Nepal, thereby helping to improve internal supply situation and distribution.

According to the Bank, the seasonal factors during the remaining months this year are likely to put some pressures on the prices of vegetables, foodgrains, and rice. In view of the extensive damage caused to wheat, pulse, and fruits by hailstorms in majority of Terai districts recently, the prices of these items may also record some increase.

Against this background the annual average of the consumer price index is likely to increase to 8.9 percent, which, however, is quite low vis-a-vis 21 percent increase recorded in June last year.

On foreign trade front, the total volume of foreign trade in the first ten months of this fiscal year has gone up by 17.6 percent to Rs.[rupees]44.81 billion, the press communique says, adding that this increase is attributed mainly to encouraging growth of overseas export, which stood at 26.1 percent (Rs. 299.98 crore), during the period under review.

Total imports during the period under review rose by only 14.0 percent and with this the total export-import ratio during the period stood at 47.8 percent.

The trade deficit also witnessed improvement and the current account deficit has lowered from 6.68 billions to 3.74 billions during the first eight months of this fiscal year.

Though some slackness has been noticed in the net amount floated under the capital account in this year, a remarkable improvement has been seen in the balance of payment this year vis-a-vis last year. As a result, the total foreign reserves increased by 40.2 percent to reach 31.82 billion rupees as compared to the corresponding period of last year. Looking at the trend of import in the first ten months of the current fiscal year, the total foreign reserves can sustain the import for about ten and a half months.

The total expenditure of His Majesty's Government, as compared with the corresponding period of the last year, increased by 34.6 percent.