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Shaykh Charges Students Ignorant of Koran, Arabic

90AA0160A Cairo AL-AKHBAR in Arabic
18 May 90 p 5

[Article by Dr. 'Abd-al-Jalil Shalabi: "How Can Al-Azhar Students Promote Islam When They Do Not Memorize the Koran? How Can They Understand Islamic Law When They Cannot Speak Standard Arabic? Al-Azhar Teaches Its Students Deception, Cheating on Examinations From Day One"]

[Text] Muslims all over the world look toward al-Azhar, the major university of Islam and the source of Islamic knowledge. Al-Azhar is the institution that breathes life into Islam and ensures the elements of its survival. No matter how much fault is found with it and how much criticism is directed against it, no one can deny al-Azhar's role in protecting the Arabic language and preserving Islamic thought. Al-Azhar protected and preserved the heritage of the Arabs at a time when our life in the East was a struggle against ignorance and darkness. No one denies that the light of knowledge which spread during the modern age of awakening came from those glowing embers which al-Azhar kept ablaze under the ashes.

Now our life in Egypt and elsewhere is riddled with corruption, and al-Azhar is the only institution that can provide a remedy. There is a multifaceted attack against Islam, and al-Azhar is the only institution that can stop it. Only guidance from al-Azhar can show our young people the way out of the tortuous paths that lie ahead of them. With assistance from al-Azhar people will not despair and will not turn away. We pray God that people find in al-Azhar the objects of their desires and their hopes.

The fact that al-Azhar has lost every capability which it could have used to embark on any one of those fields is a major shock. Ever since this dual curriculum was introduced and education became free by law, the burden borne by al-Azhar became heavy, on the one hand, even as its capabilities shrank, on the other. I am not asking that al-Azhar stop teaching its students modern science and foreign languages. I am saying, however, that special preparations should have been made to deal with this situation and to face such conditions.

Students in all stages of their education at al-Azhar are not familiar with the Arabic language. They are not familiar with Islamic jurisprudence, and they are not familiar with the Koran. Of course, they are even less familiar with those subjects which are derived from the Koran. These are undeniable facts which are known to everyone.

I hope that no official of al-Azhar will think that he, or that institution to which I owe my education, is the target of my attack.

I am certainly not attacking al-Azhar or anyone of its officials, but I am concerned about al-Azhar because it is my duty to defend Islam, the religion which God chose for His people. Islam will be in its twilight when al-Azhar ceases to exist. And that is why we are not giving up when we're facing such weakness. We are not standing on the sidelines in despair, waiting for the situation to become incurable or expecting it to take care of itself.

How Can Al-Azhar Survive?

Students of al-Azhar, whether they are just starting out or in their final years of study, do not memorize the Koran. How can they promote Islam if they do not know the precepts of Islam?

Students of al-Azhar cannot speak standard Arabic. If they do not understand the Arabic language, how can they understand the provisions of Islamic law?

Graduates of al-Azhar used to boast about their knowledge of Arabic grammar and their ability to turn a phrase, and they used to say that no graduate of any other institute of Arabic language could keep up with them. They used to say that no student in any other institute could match their knowledge of Islamic law and of the methods that are used to derive Islamic law. How can al-Azhar survive when its students don't know the language and don't understand jurisprudence?

I am announcing no secret when I say that what students of al-Azhar learn from their very first day in that institution is something that Islam denounces. They learn how to cheat on examinations.

To ensure that new students entering al-Azhar had memorized the Koran, one of the ministers, who is loyal to al-Azhar, issued instructions that those students take a written test on the Koran. But the minister was outsmarted by teachers at the institutes who not only dictated the answers to the questions on the examination to the students, but they also wrote the verses of the Koran for them.

And the matter did not end there: It spread to other subjects [which are offered to students] during their years of study. Details about such cheating were spelled out for me once by a student at al-Azhar who identified himself by name and challenged me to make his name public. But since this matter is one that requires an investigation, I am leaving it to those who are authorized to deal with such matters. Finding a remedy for such ailments is more important.

With regard to the Koran, we cannot ask students who are entering al-Azhar now to memorize the Koran in its entirety just as the students who came to al-Azhar from religious schools did. What we can do, however, is make the students memorize the Koran gradually. We can decide that memorizing six sections of the Koran would be a mandatory requirement for admission into an institute of al-Azhar. Only a small number of students who were attending al-Azhar's elementary and religious

schools would memorize that much of the Koran. So what, if some or all of al-Azhar's institutes were to have no first year students? Students who were not accepted by the institutes will have to memorize more than six sections of the Koran in 1 year, and many of them will do so to avoid being turned down by al-Azhar.

A Place To Go for the Weak Who Are Failures

It is known that only elementary school students who are not accepted by preparatory schools are the ones who seek admission into al-Azhar, which for quite some time has been the institute which is attended by weak students who failed in their studies. Since those students have nowhere else to go but the institutes of al-Azhar, they have to memorize as much of the Koran as they can [to qualify for admission]. Every year after that they are expected to memorize two or more sections, and they are supposed to do that during the summer vacation. Thus, a young man would have something useful to do in his free time, and he would be compelled to prepare himself for studying in al-Azhar.

Students would not be given a written examination in the Koran. Instead, they would be given an oral examination. Then to safeguard against cheating and favoritism, some of those who pass that examination would be tested a second time in front of outside committees. If one person who had not memorized the Koran passes, the committee that tested him would be penalized. That committee would receive the same penalty that someone who gave false testimony would receive. A warning to that effect should be given before the first examination is given.

This method will make it possible for students of al-Azhar to have the Koran in its entirety committed to memory by the end of their years of secondary education.

The students' alarming weakness in other subjects is due not only to the fact that too many subjects are being taught, but it is also due to obsolete and complicated textbooks.

According to our previous experience with these textbooks, students and teachers waste their efforts trying to decipher sentence structures and understand expressions. If these textbooks were easy, and if the language used in them were clear and unambiguous, a great deal of effort would have been saved and much knowledge would have been gained. When we were studying these books, we used to memorize stock phrases and expressions without knowing what they meant. We memorized these phrases and expressions so we could write them down in an examination.

A Setback and a Demise

Graduates of al-Azhar are always apprehensive about the fact that these books, particularly those which have been used as textbooks for scores of years, could be lost and forgotten. Similar books, whose titles are unknown to

graduates of al-Azhar, do exist, but these books are ignored and forgotten by those graduates.

Textbook preservation is not what matters here. What does matter is that we understand the material in those textbooks. The function of education is to offer as much knowledge as possible in the shortest possible period of time with the least possible effort.

Other institutes of Arabic got rid of these textbooks. They dropped a few; they improved on a few; and their efforts yielded commendable results. It was the Preparatory School for the Sciences that broke new ground in that field. Al-Azhar benefited somewhat from that effort, but then the school had a setback and it went out of business.

Poor textbooks are not the only reason why students of al-Azhar are weak in Arabic grammar. That weakness is attributable more to the fact that reading lessons and learning things by heart are ignored. Students at al-Azhar and their teachers do not bother to read the reading textbook, nor do they bother to memorize literary works. This is because students are tested orally in these two subjects. They are asked to do nothing more than read a few lines in front of an examination committee. They may be asked a few questions about the function of a few words in a given sentence, but they may not be asked any questions if they read a given passage accurately. Reading a few lines of poetry may be enough to pass a test. A student may memorize one poem, and he could recite that poem to pass both his preparatory and secondary school examinations.

Reading lessons serve different purposes in each stage of education and in each year of study. Reading lessons in elementary school enable students to practice reading and develop the reading habit. Afterwards, reading lessons expand a student's mind and broaden his education. That is why appropriate textbooks must be chosen. The literary language and intellectual content of these textbooks must be appropriate. After the elementary stage of education reading tests must be written.

Knowledge Is Not the Problem

Literary texts which are committed to memory and studied are tantamount to linguistic and literary reinforcements which train students to express themselves well and to appreciate the beauty of literature. That is why special texts that students are to memorize must be chosen every year, and selections in poetry and prose which students are to study and analyze must also be made every year. A written test is to be given in those subjects.

Reading lessons and memorizing literary texts are the students' best aides in understanding exegesis and the prophetic tradition. They are the literary provisions which preachers, speakers, and teachers draw on. The loss of these provisions is the primary reason for the present weakness in rhetoric and preaching.

We are saddened and distressed by speakers who use the colloquial language when they address worshipers in mosques. They avoid vowelizing the final syllables of words to indicate the proper case endings for those words, or they forget that there are rules of grammar to begin with. Such speakers also express themselves in awkward and poor ways.

Reading lessons and memorizing literary works are first and foremost provisions for the intellect. They are a fountainhead from which meaning and ideas can be derived. Poets and writers provide us with the essence of their thoughts, experiences and heartfelt feelings in their work. Poetry uses the sweetest expressions and the most beautiful ideas to convey to us the essence of a poet's experience. We usually choose what is beautiful, splendid, and useful, and we offer it to our students as enjoyable and useful food for thought.

Consider the extent to which al-Azhar is denying its students what is most palatable and most beneficial fare for their minds.

I find that I have been long-winded, but although a longer look is needed at the other main subjects of jurisprudence, exegesis, theology, and rhetoric, I will say no more than what I said today.

At any rate, I wrote what I wrote out of my concern for al-Azhar and my affection for it. I hope al-Azhar officials will find my remarks persuasive, and I hope my remarks will give them the incentive to do something. They may know more than I do. But the problem here is not knowledge, but it is what we do with this knowledge. Will there be a response to my suggestions? Will my suggestions find one sympathetic ear?

I seek nothing but your pleasure, O God. All I want is to serve Your religion. You are indeed Omnipotent.

The author of the article is the former secretary general of the Academy for Scientific Research.

REGIONAL AFFAIRS

PLO Speaks Against Civilian Militia

90P40075A Tel Aviv MA'ARIV in Hebrew
25 Jun 90 p 3

[Article by Shefi Gabay]

[Text] "Fight the civilian guard militia in the territories," said press spokesman Basam Abu-Sharif yesterday at a press conference in Tunis. He claimed: "This militia enjoys IDF [Israel Defense Forces] protection, and we must fight against it. The intention is to kill Palestinians as a means of defense. We have the feeling that the Israeli government has decided to intensify its use of murder against Palestinians."

Strategies Explored for Improving Arab Banking Abroad

90AA0166A Cairo AL-WAFD in Arabic 27 Apr 90 p 3

[Remarks by Dr. Salah Hamid, the governor of the Egyptian Central Bank; Dr. 'Adnan al-Hindi, the general secretary of the Federation of Arab Banks; Dr. 'Ali Najm, the chairman of the Union of French and Arab Banks; and Dr. Muhammad al-Nabulsi, the governor of the Jordanian Central Bank, by Sami Sabri]

[Text] No one denies that Arab banking operations developed rapidly during the 1970s owing to the financial surpluses that accumulated in the oil states and the economic resurgence that accompanied these surpluses in different Arab countries. However, unfavorable circumstances in the 1980s surprised Arab banks before they could consolidate their quantitative development and reinforce their foreign presence. During this period, the Arab banking market was affected by a decline in oil revenues, disturbances in world capital markets, which peaked in 1987, and the growing movement toward the formation of economic blocs in the West, East Europe, North America, and Southeast Asia. At that time, the Arab banks began to encounter many problems, the foremost being the mismanagement of several banks, and the fact that some of these banks do not enjoy capital adequacy [i.e., an acceptable ratio of equity capital to risk-weighted assets], and are unable to confront the challenges of the domestic market or establish an international presence. Other problems are the lack of a clearly delineated regional market for Arab banking activity, despite slogans calling for a unified market throughout the Arab world, and the drop in the volume of trade between Arab states, on which the Arab banks heavily depend.

The greatest challenge now facing Arab banks and financial organizations is posed by the decisions of the international Basle Commission, which classified all of the Arab countries, excluding Saudi Arabia, among the riskiest countries for investment. Such a classification limits the opportunities that are open to Arab banks for

locating abroad and in regional financial markets. Moreover, it paralyzes the ability of Arab banks abroad to share in financing Arab economic projects. Because of their negative effects, these new decisions will not enable Arab banks to face foreign competition posed by large banking blocs that will be established after 1992 in a single European common market that will include 320 million persons. These developments are occurring when Arab banks abroad are encountering difficulties, and failing to merge and become integrated, despite an increase in their number to 350 banks and financial organizations.

Given these circumstances, can Arab banks overcome the problems to which their present and future progress is exposed, especially since Arab indebtedness totals \$180 billion, Arab investments in the Arab world have declined to two percent [of all Arab foreign assets], and loans provided by Arab banks to the Arab states have declined to six percent?

The Importance of Banking Control

Dr. Salah Hamid, the Governor of the Egyptian Central Bank believes that:

The 1990s will be the decade of economic blocs and large entities for projects, especially banks, which means the emergence of a number of difficulties related to the limited size of Arab economies and the smallness of entities that undertake projects. Arab banks must respond to these changes. The first steps in this response are to establish controls that prevent the unjustified rush of banks into high-risk activities and to increase their adequacy through effective banking supervision, which most Arab banks lack. Dr. Salah Hamid adds:

Solving the problem of the profusion of regulations and controls in regulatory systems is no longer limited to the state itself, but requires the exchange of expertise between different states. In 1973, this problem led to the formation of the Basle Commission. This commission, which is composed of banking regulation representatives of a number of countries, was formed to examine control problems and establish standardized criteria, including a capital adequacy criterion. In addition, there are other regional committees active in banking control that meet with the Basle Commission periodically, such as the European group's Supervision and Control Committee, the Supervision and Control Committee of the Arab Gulf Cooperation Council states, and a similar committee for the states of Latin America and the Caribbean.

The criticism directed at the criteria established by the Basle committee is not based on a desire not to adhere to these criteria. Rather, such criticism aims primarily at correcting the shortcomings of these criteria, whose classification of countries was formal and did not take into account the interests of Third World countries, which reflects a minus sign for Arab banks with international diffusion.

Dr. Salah Hamid calls on the Arab Monetary Fund, the Federation of Arab Banks, and other Arab banking federations and committees to move on both the domestic and regional level, not only to confront the negative effects of the Basle Commission decision on Arab banks, but also to benefit from the positive developments achieved by other states. This can be done by increasing the efficiency of Arab banks to meet the challenges of the future, especially after 1992.

Difficult Challenges

Dr. 'Adnan al-Hindi, the general secretary of the Federation of Arab Banks, stresses the following:

The difficulties enveloping Arab banking activity are many. The most important are the Basle Commission's decisions, and the lack of a joint Arab banking plan that everyone can strive to apply within a clearly delineated vision. Regarding the Basle Commission's decisions, the criterion based on which the world's countries are classified as high-risk and low-risk countries do not show deference. These decisions are also unfair, because they enable the governments, organizations, and banks of the industrialized states to obtain relatively low-cost financing, which leads to the bad distribution of financial resources in the world banking system, which in turn has a significant effect on the flow of capital to Third World countries. Dr. 'Adnan al-Hindi calls for establishing uniform foundations for supervising banks in the different Arab countries. He also called on the Arab Monetary Fund and the Federation of Arab Banks to hold banking seminars periodically for officials in the bureaus that control central banks, as is done in European banks, to help officials build relations and exchange information and expertise. He believes that the most successful means to confront the decisions of the Basle Commission are to compute the capital adequacy ratio so that it conforms with the criteria established by the commission. In addition, cooperation and coordination must be increased between Arab banks, and the latter should play a greater role in reducing the Arab foreign debt, financing inter-Arab trade, and developing the capital markets of Arab banks. The development of Arab capital markets, which will lighten the debt burden and increase trade, should be undertaken with the understanding that the Arab Monetary Fund will prepare the studies required for such development and present the studies' results to the Council of Central Bank Governors and Arab Monetary Organizations at its next meeting.

Dr. 'Adnan al-Hindi also calls for the implementation of a program to finance inter-Arab trade and the re-examination of the Arab banking presence abroad with a view toward mergers and liquidation, because Arab banks in their present position, especially banks operating outside the Arab world, can in no case confront the huge banking blocs that will be established after 1992, inasmuch as Europe will form an economic bloc in all fields, uniting 320 million persons in a single common market, while Japan is emerging as a major economic,

financial power that is also likely to become a major political power in the near future. This is happening at time when our banks, which now number 320 banks and financial organizations, are scattered here and there, and lack an effective presence among international financial organizations.

This requires us, as Arabs, to form a clear strategy to confront the age of economic leviathans, in which there is no place for weak economic entities, lest the unspeakable happen.

The Cook Commission

Dr. 'Ali Najm, the chairman of UBAF [Union de Banques Arabes et Francaises] in Paris believes that the entire world is heading toward bloc formation and union in all fields. An example is the unification of the European market in 1992 with its consequent standardization of laws and regulations governing financial and monetary affairs, and removal of barriers blocking the transfer of capital. Another example is provided by the East European countries, which are pursuing economic, financial, and monetary restructuring through the COMECON [Council of Economic Mutual Assistance] group, and the perestroika advanced by President Gorbachev to save the states of the Soviet Union and the eastern camp. Regarding Third World countries, attempts are being made to support regional and economic financial cooperation through such organizations as the ASEAN [Association of Southeast Asian Nations] group, the Andean group of Latin American states, and the monetary federation serving Africa, Lome [as published]. All of these blocs and changes in financial market regulations require the Arabs to adopt a serious position to save their banks, because Arab banks operating outside the Arab world will [be compelled to] make efforts to reduce their foreign investments [in order to maintain the required capital adequacy ratio]. As a result, their role in the Arab development process will contract. Also, the classification made by the Cook Commission—which comprises governors of the central banks of the 10 major industrialized states, including the United States and Japan—will affect the results and profitability of Arab banking operations.

Regarding the need for cooperation and coordination on the part of the Arab presence in world financial centers, 'Ali Najm states:

Despite the drop in oil prices and the drop in the dollar exchange rate, the Arab world is still a creditor in relation to the world banking system, since the Arab world's debt does not exceed \$180 billion, whereas its foreign assets are estimated at more than \$500 billion, including reserves. For numerous reasons, including development plan financing, seasonal fluctuations in agriculture, and national defense requirements, some Arab states are resorting to borrowing from world financial markets. In such cases, the lender makes a decision regarding the borrower according to the degree of risk exposure of the loan-seeking state. Each state is classified

according to its degree of risk. Each bank has its own classification. The classification of the risks of a state such as Sudan, for example, differs from that of Algeria or Kuwait. Therefore, the loan terms granted by the financial market to Sudan differ from those obtained by Algeria or Kuwait. Hence, there is a need for cooperation between the Arab banks and the joint banks to ensure that the Arab states' capital needs are met at the lowest possible cost. This can be accomplished by entrusting a group of Arab banks operating in the international field to perform this function, provided that the Arab financial authorities give these banks means of support.

'Ali Najm adds: If we want to benefit from our capital abroad, we must reduce the risks and distribute them among different regions of the world. These risks must be distributed soundly to avoid a drop in the value of our capital when the dollar drops. In entering some industrial sectors, we must be guaranteed the transfer of technology to the Arab world. We must also act to preserve our capital and avoid the possibility of it being frozen by the political authorities in states that receive it. We also need to master modern financial technologies—financial engineering—stemming from the significant technological transformation that has occurred in banking activity.

The Arab Financial Market

'Ali Najm calls for the development of domestic financial market experiments; the formation of the concept of an Arab financial market; efforts to increase Arab capital injection to serve Arab development, inasmuch as Arab investments in the Arab world represent only two percent of all Arab foreign assets; opposition to Cook Commission measures, because they will reduce the flow of capital to the Arab world, in the form of starting a dialogue with Western central banks aimed at influencing them with the integrated natural, oil, agricultural, and population resources enjoyed by the Arab world, and with the various forms of Arab foreign assets, including foreign investments, deposits, and reserves that are worth more than an estimated \$500 billion dollars. 'Ali Najm states: You must not be pessimistic about the size of the Arab debt, which totals \$180 billion, because the Western world owes the Arab world \$300 billion. Also, the size of the Arab debt is less than that of other states, such as Turkey, whose debt equals 230 percent of its exports. Attempts must be made to reschedule debts by: Developing the role of the Arab Monetary Fund, which should gradually, over the medium range, come to perform the role of an Arab central Bank on the pattern of Europe's planned European central bank; and expanding the role of the Arab Investment Guarantee Organization, which should also guarantee Arab banks, otherwise, efforts should be made to establish an Arab organization for the guarantee of Arab banks on the pattern of the American FDIC [Federal Deposit Insurance Corporation] organization. Cooperation should be established between Arab banks operating abroad. The latter should be strengthened by increasing their capital and their role in administering Arab assets abroad, and by giving them priority in the administration of relevant financial operations in the Arab world, either in the investment or the lending track.

Regarding the challenges facing Arab banking, especially in the light of the Basle Commission decisions regarding capital adequacy, Dr. Muhammad al-Nabulsi, the governor of the Jordanian Central Bank, states:

The Basle Commission decisions will directly affect Arab banks operating in states that have signed the Basle agreement, which are the states of the Organization of Economic Cooperation and Development, in addition to Switzerland. These banks have no choice but to adapt their circumstances to meet the requirements of the Basle Commission's criteria regarding capital adequacy. The Basle Commission's decisions will also indirectly affect all Arab banks that operate in states that did not sign the agreement. Thus, banks operating inside the Arab world will face higher costs to obtain financial resources from international markets given that the Arab countries have been classified with the high-risk countries. Arab banks operating in states that signed the Basle Agreement will also be compelled to reduce their investments in the Arab world to maintain the required capital adequacy ratio [of 7.25 percent by 1990 and eight percent by 1993]. Arab banks will also face a reduction in credit lines from international banks, because of the classification of the Arab countries in the high-risk group.

Regarding the strategy of Arab banking activity in the near future, Dr. al-Nabulsi stated:

The future of the Arab banking system depends on how successfully it adapts to new developments in the Arab and international spheres in the framework of a strategy for the future that is based on keeping pace with current developments in world banking and creating an effective presence in international forums on the official and private levels. The strategy is also based on examining the conditions of Arab banks operating abroad before deciding on which measures to adopt regarding the Basle Commission's decisions on capital adequacy. The future also depends on stressing the need to intensify cooperation between Arab banks operating abroad and to support them by giving them priority over foreign banks regarding transactions in which an Arab country is a party. It is also necessary to raise the matter of banking regulation, develop the foundations and accounting rules used by Arab banks domestically and abroad, increase the efficiency of financial markets in the Arab region, and create new markets to attract Arab savings and financial surpluses.

EGYPT

Reorganization of Ruling Party Expected Before Elections

90AA0197A London AL-SHARQ AL-AWSAT
in Arabic 15 Jun 90 p 2

[Article: "Exclusive AL-SHARQ AL-AWSAT Report From Cairo: Mubarak Plans To Reorganize Party in Preparation for New Parliamentary Elections"]

[Text] Cairo—AL-SHARQ AL-AWSAT Bureau—AL-SHARQ AL-AWSAT has learned from informed

sources in Cairo that Egyptian President Husni Mubarak plans, in his capacity as the ruling National Democratic Party [NDP] chairman, to reorganize the party ranks in the next few weeks prior to the coming parliamentary elections that are scheduled to be held next October.

The sources have said that the party general secretariat and party secretaries in the governorates will be reshuffled, stressing that President Mubarak has recently received several reports assessing the party leadership activity, especially the activity connected with mobilizing public opinion to confront the urgent problems, particularly the economic crisis, population growth, radicalism, and the proliferation of drugs.

The sources have pointed out that reorganizing the ranks will be followed by the nomination of new figures for the parliamentary elections.

On the other hand, informed government sources have denied the presence of any tendency to draft a new law amending the Supreme Constitutional Court law in preparation for promulgating it as a law by decree during the parliamentary vacation.

At the same time, the sources have stressed that the ruling party's Political Bureau is expected to hold one or more extremely important meetings in the coming period to draft the movement plan for the coming phase, to approve the proposed internal party appointments, and to draw up the election platform on which the party candidates will base their election propaganda.

These meetings will also determine what kind of governmental effort the prime minister, his deputies, and the ministers are to contribute in supporting the party candidates in these elections, taking into consideration the shift to the individual election system in which the candidate depends more on his capabilities than on party and government capabilities. This requires the party candidate to adhere to the principles and fundamental points of the party's general program.

An authoritative source has pointed out that to the party, individual elections mean no more than a recurrence of the 1979 election experiment which the party waged under the umbrella of this system before the party list system was invented, noting that this system underlines observation of the rules and principles connected with party discipline, meaning that the party members will adhere to those selected by the party to run as candidates in the coming elections.

The source added that in accordance with this tendency, a party member who runs for election outside the circle of party adherence will be subjected to the penalties which are stipulated in the party bylaws and basic constitution, which begin with a reprimand and warning and culminate with referring such a member to the Values Committee and with expulsion from the party.

The source has denied that the party leaderships have completed the preparation of preliminary candidate

lists, pointing out that there is still ample time and that there are specialized party committees that are examining and evaluating the actual performance of the party's current deputies in the parliament. Through this, the picture will become fully clear insofar as the new candidates are concerned. But the source asserted that the nominees will include new candidates and experienced veteran candidates.

The source further asserted that the wish of some members of the Egyptian Consultative Assembly to be nominated for election to the new parliament will also be taken into consideration.

The source pointed out that a Consultative Assembly member running for election to the new parliament will not lose his assembly membership. Rather, he will be able to maintain his Consultative Assembly membership until the outcome of the parliamentary election is announced. In case a member wins election to the parliament, he may retain his Consultative Assembly membership for a full month after he wins and after the membership validity is verified, so that he may have the opportunity to choose between membership in the two assemblies. In a related development, responsible political sources have assured AL-SHARQ AL-AWSAT that the features have been completed for forming the special committee to draft a final version of the new Egyptian parliamentary election law, and that a republican decree forming this committee will be issued in the next few days.

These sources have stated that this committee will include a mixture of legists and politicians with political and parliamentary experience. But at the same time, completely neutral circles whose work and participation in the committee activities is detached from any partisan viewpoint will be represented in the committee.

The sources added that candidates for the committee membership include a number of current parliamentary deputies who are well known for their partisan neutrality, led by Magistrate 'Abd-al-'Aziz Mulukhiyah, a former head of the Government Litigation Authority, Magistrate al-Damardash al-'Uqali, and Magistrate Nash'at Barsum Salamah.

The sources expect Ahmad al-Khawajah, the Egyptian lawyers doyen, and a number of political and legal elements from the opposition parties, to be included in the committee in response to the opposition parties' request. It is expected that the committee work will at least take one full month during which the committee will hold meetings. The committee may enlist the assistance of any elements outside its ranks if it deems it necessary to do so. It is also expected that the committee will discuss how constitutional it is to issue a decree dissolving the parliament in light of the current circumstances. It will also discuss if it is constitutionally correct

to issue the dissolution decree without a popular referendum and in reliance on the presence of a prior court decision, or whether it is necessary to hold a referendum before the parliament is dissolved in adherence with the explicit word of the constitution in this regard. A responsible legal source has assured AL-SHARQ AL-AWSAT that holding a popular referendum on dissolving the current Egyptian parliament in accordance with the constitution will not be tantamount to a referendum on the decision made by the Supreme Constitution Court—a decision which confirms the unconstitutionality of a provision of the current parliamentary election law.

The source added that the word of the Constitutional Court decision has actually been implemented. This is the part that must be implemented. As for the legal reasons cited in the decision, they don't have to be implemented.

The source pointed out the presence of more than one case in the permanent Egyptian constitution dictating the holding of a referendum, including the case when a dispute arises between the legislative and executive authorities. The people then express their opinion by voting whether the government or the parliament should stay.

Opposition Debates Election Rules

90AA0165C Cairo AL-AKHBAR in Arabic
24 May 90 p 3

[Article by Sharif Riyad Muhammad 'Abd-al-Hafiz:
"Elections, Individual or Slate?"]

[Text] Once again we turn to a question that has erupted twice before, with the elections of the People's Assembly in 1984 and 1987. The question is, "Should elections be conducted in accordance with the individual election system or by slate?"

On the previous two occasions, the view with regard to using the slate system won out; elections in 1984 were conducted in accordance with the proportional slate system only. When its unconstitutionality was confirmed, the 1987 elections were a combination of proportional slates and individual election, with one seat allocated for it in each electoral district. However, the recent constitutional court ruling has confirmed the unconstitutionality of this method as well, which has opened the door for dissolution of the People's Assembly and the holding of new elections. It has also brought back the same question once again...What do the party leaders say?

The first opinion was put forth by Counselor Ahmad Musa, deputy [speaker] of the People's Assembly, and a prominent leader of the National Party. However, in this instance, he is expressing his personal opinion, which is that we need to return to the individual election system, because it is more suitable and more in keeping with the current constitution. Only the individual election system has been in the minds of the constitutional legislators

from the inception of constitutions in Egypt. On this basis, the provisions of the constitution regarding this matter were formulated. Any change in this system might violate other constitutional principles.

Counselor Ahmad Musa adds: "If I wanted to adopt the proportional slate system, the constitution would have to be amended. However, this would take a long time, and must be done slowly and deliberately, so that the amendment conforms to modern systems and to our political and social circumstances. Therefore, it would be best to return to the individual election system. This would only require abrogating all amendments that have been introduced into People's Assembly laws, and the Law of Exercising Political Rights, from 1983 to 1987."

Despite his preference for the individual election system in the coming elections, he praised the proportional slate system, describing it as the most modern and important electoral system, because it ensures the representation of all political orientations, and does not waste the votes of any group.

Moreover, the deputy of the People's Assembly has asked that the Law of Exercising Political Rights be amended to ensure the honesty of elections and the impartiality of the supervising agencies.

Opposition Views

When we turn to the views of the opposition parties, we find Engineer Ibrahim Shukri, leader of the opposition and head of the Labor Party, avidly stressing the need to enact a new law, by which the next elections could be organized in accordance with studies and research. He asks for total supervision by judges over every phase of the electoral process, after purging and reviewing the election lists that are filled with errors. The most glaring error is that the total number of voters registered on the lists is approximately 14 million citizens, while the number supposed to be registered, in accordance with the current population, is 22 million. Eng. Ibrahim Shukri said: "Total supervision of elections by judges is an urgent necessity, even if the business of conducting elections requires several days, as happened in 1938."

Shukri Supports the Slate

With regard to the electoral system, the opposition leader's reply went contrary to expectations, because he supports the proportional slate system, unless it is subject to conditions. He said that "the individual election system, in light of our current social circumstances, would cause us to revert to the influence of family, relatives, and tribal connections. It would grant success to those who pay the most, because money is now in the hands of many whom one imagines made it in improper ways!"

He added that proportional slates ensure that the election is in accordance with the parties' programs, not individuals!

Eng. Ibrahim Shukri is not the only supporter of the proportional slate system among opposition leaders. Yas Sarraj al-Din, leader of the parliamentary group of the Wafd Party, also supports it, along with Counselor Ma'mun al-Hudaybi, one of the Muslim Brotherhood leaders.

Yas Sarraj al-Din said that he supports the proportional slate system, "because it provides true representation to all political movements within Parliament. At the same time, it wastes no votes...because, in the case of the individual election system, if one candidate receives 1,000 votes and his opponent for example gets 1,001, the latter wins and, consequently, the 1,000 votes that the first candidate got are wasted."

Thirty Percent Instead of 80 Percent

The leader of the parliamentary group of the Wafd Party proposed changing the proviso that 80 percent of the votes must be obtained in order for any party to be represented in the People's Assembly. "A percentage of only 30 percent should be enough to give the parties an opportunity to be represented in the People's Assembly...I support the need to have judges supervise the total electoral process, even if conducting elections takes several days."

The Slate...Impossible

With regard to Counselor Ma'mun al-Hudaybi, despite his support and preference for the proportional slate system without conditions, he believes it is impossible to obtain that in light of the current constitution. He said that the matter would require collective study, "because any suspicion of a constitutional contravention must be avoided. We have had enough disordered constitutional life and principles."

No...to Party Control

Even though three of the opposition party leaders support the proportional slate system, three others support the individual election system. Mustafa Kamil Murad, head of the Liberal Party, said that the individual election system is the most appropriate and democratic system of elections, "because it highlights the political leaders and frees the representative from party control...It retains the limited area of the precincts, and keeps the representative in close touch with the voters...The representative is able to express the problems of the people in his precinct, and search for solutions to them, because that is his primary job."

The head of the Liberal Party stressed that the individual election system had been successfully applied in Egypt for 60 years, beginning in 1924 with the onset of parliamentary life, up to 1984. Mustafa Murad also supports the proposed demand for judges to supervise the total electoral process, even if that takes several days. He cited the need for each voter to sign or make his mark by his name on the lists in the presence of committees, in order to ensure that there is no tampering with votes.

Young Egypt Party...Preparing

A new party, the Party of Young Egypt, is currently completing its party organizing. 'Ali al-Din Salih, the party leader, said that his party will enter the next elections, which will be its first experience in this field. He emphasized his support for the individual election system, and said that if this system was applied, it would ensure appropriate representation for the new party in the People's Assembly. He also supports judicial supervision of elections.

Green's Position, Not Defined

With regard to the Green Party, which is also one of the three new parties that have appeared on the political scene, as a result of judicial decisions, it is not as yet clear as to whether the party will enter the elections or not. Dr. Hasan Rajab, who is the party's leader, said: "The party was only formed two months ago, and we do not yet know how we stand with the masses." Clearly, politics is not the party's main goal, but is only a means to achieve its real goal with regard to defending the environment. Dr. Hasan Rakab expressed his support for the individual election system, because it is the most democratic, as he put it, since it affords all candidates an equal opportunity, and the final word rests with the voters. He also supports total judicial supervision over elections.

Consultation With the Parties

The sole party that has not determined a position with regard to the electoral process is the Tajammu' [National Progressive Unionist Grouping] Party. Dr. Rifa't Sa'id, secretary of the party's Central Committee, was content to call on President Husni Mubarak to invite party leaders for consultations. Sa'id considers this the ideal way to formulate a new electoral law, not only to determine the process of holding elections, but also to determine the necessary guarantees for the elections' impartiality and honesty.

Sa'id added that consultations with the opposition party leaders with regard to this matter would demonstrate that this is a national subject with a high degree of importance. This would also prevent one party from single-handedly enacting this law, especially since there would not be an opportunity to submit it to the People's Assembly, because its enactment as a law of the republic would be considered after dissolution of the People's Assembly.

Insufficient Number of Judges

Finally, we turn again to an idea from the National Party, which reflects the consensus of the opposition party leaders that judges be empowered to supervise the total electoral process. Counselor Yusuf Nassar, chairman of the legislative committee of the Advisory Council, stated that the number of judges in Egypt is not sufficient to achieve this demand. He said that the

opposition knows very well that this is impossible, but they continue to demand it in order to embarrass the government.

He added that if elections were held over a period of several days, it would be a strange situation, with which the Egyptian people are unaccustomed, even if it had previously been done in 1938.

As regards the system of elections, Nassar supported a return to the individual election system, and said that it is the most suitable now, after the issuance of two judgements by the constitutional court with regard to the unconstitutionality of certain provisions of the two laws upon which the proportional slate system was based. The two rulings did not deal with the system itself, and there was nothing in them to confirm the unconstitutionality of the slate system. However, inasmuch as the individual election system is the closest to the Egyptian voter, and after the Advisory Council law has been amended and elections revert to the individual election system, it would be politically appropriate for People's Assembly elections, which is the primary legislative authority in the country, to revert to the individual election system. All that is required is altering the precincts, so as to make them comparable in number and proportional to the increase in population, in order to achieve equality of opportunity among the candidates.

Public Oversight Suggested To Ensure Free Elections

90AA0188A Cairo AL-AHRAM AL-DUWALI
in Arabic 13 Jun 90 p 7

[Article by Salah-al-Din Hafiz: "Instead of Importing Foreign Experts, Popular Organization To Oversee Election Validity"]

[Text] There isn't the slightest doubt that new elections will inevitably take place within a few months. By a decision of the Supreme Constitutional Court, the parliament has been declared null and void as of the moment of its creation because its elections were held on the basis of a law whose validity, soundness, and fairness are contestable.

We said in a previous article that impartial elections are a beginning, not an end, in bolstering our country's democratic procession—a long procession with integrated links and tightly-knit roles. When one link falls or weakens, the entire procession falls, collapses, or loses the voters' trust.

Today, we add that we must engulf the new elections for which a new law is being drafted—a law that tries to avoid contests and flirts and to fill the gaps and the holes—in maximum purity and in guarantees of validity, not only to keep up pace with the current international developments but also to regain the trust of the citizen who still thinks that "all" elections are rigged and that "all" governments use their heavy-handed authority to

move the vote boxes in a direction other than that of the voters' wish and free choice. [passage omitted]

But now that we are inevitably approaching new elections which, we hope, will blow away the dust of suspicion, contestation, and accusation from past elections, even from the entire democratic procession, we believe that it is essential to engulf these elections in the greatest and firmest constitutional, and also legal and procedural, guarantees. Else, court halls will continue to be open for contestants and the world will continue to view us with ridicule.

Because we are addressing here "all" readers and not just the "special" elite—the legists in particular—or those "pretending to be learned men and jurists," we underline the following points as a fundamental inlet for the desired guarantees which we will clarify and whose significance we will emphasize:

First, legal constitutional guarantees come first. This is why we await with anticipation the effort of the impartial legal committee which President Husni Mubarak has entrusted with drafting a new election law that overcomes the gaps of the previous law so that we may express our opinion on this law before it is applied. If the objective is to develop a sound law, then the path toward this end must pass through presenting the bill to the public opinion to express an "enlightened" opinion on its articles so that some sort of national consensus may be developed on the law. It is not essential that the law attain full consensus. No law achieves such consensus but there are laws that are at least received with broad welcome and approval.

The danger against which we must guard from the outset is the danger of believing that the mere agreement of a legal committee which includes nonpartisan masters of the law is enough to produce a law that cannot be touched at all by what is null and void. But this committee must realize that it is not given an absolute mandate. It is not, for example, an "elected constituent assembly" and it is not infallible, considering that its members are human beings who strive and who may hit or miss.

The solution is for this committee to broaden the sphere of consultation and to explore the opinions of other people from the various intellectual schools and political tendencies when drafting the bill. The committee must then insist that the bill be presented to an open and comprehensive national debate. The argument of lack of time is no justification for any new "offhand job."

Second, it is not enough that we get a sound democratic law for parliamentary elections. Soundness of the elections themselves follows in importance the objective for which democracy "invented" the election system, namely, producing true deputies who represent the people in the best manner possible, who speak in the people's name, and who participate in charting the country's policies.

We have often had, and we continue to have, a large number of overlapping, even contradictory, laws and pieces of legislation, most of which are sound. But the important thing continues to be sound application. Though the constitution—the law of all laws—provides for safeguarding the public and private liberties and for respecting human rights, the executive “procedures” often violate all these provisions openly or tacitly.

Therefore, sound measures for free elections and for an honest outcome of the elections “are not,” as Counselor Ahmad Makki says in a letter he sent me after my previous article, “Impartial Elections Are Beginning, not End,” was published, “just a mainstay or a requirement of democracy but are all, or nearly all, the mainstays of democracy. This requires no explanation. Elections are the only means for the people to participate in running their country’s affairs, in drafting their laws, and in controlling their government. This is why the world’s peoples have unanimously agreed on ensuring the impartiality of elections by putting them under the supervision of the real judiciary...”

Making this point even clearer, Counselor Makki says: “The judiciary are tired of being accused of having allegedly supervised elections, their outcome, and their procedures, which do not enjoy the people’s trust and acceptance as much as the judiciary’s decisions do. Dissipating the public trust in the judiciary is not the only danger posed to the judiciary when the election process is touched by that which tarnishes its impartiality. A corrupt election system exposes the very independence of the judiciary to danger!”

Third, the third guarantee that completes the fence protecting clean and impartial elections is the guarantee of a vigilant and enlightened popular watchdog. When this watchdog is serious, energetic, and vigilant, it is difficult for the government, any government, to counterfeit and escape accusation at the same time, as it is difficult to make the contention of rigged elections.

If we imagine that our currently existing nine political parties, in addition to other political forces and to individuals who have the courage and the ability, will wage the coming elections, then we will immediately realize that the electoral competition map will be divided among these parties and forces, depending on the capability and the depth of the influence of each of them on the voter scene. But the signs indicate that the competition will focus on the strong pull by the ruling National Party on the one hand and by most of the opposition parties on the other, keeping in mind the various fronts and blocs.

Consequently, the government, which will supervise the elections, and the parties, which will participate in them, shoulder the responsibility for honest and clean elections by varying degrees. But who will make this judgment and who, along with the judiciary, will attest to impartiality or forgery before contestations are rushed to the courts?

We may perhaps suggest to the public opinion that it begin as of now forming a national popular organization to oversee the soundness of the coming elections instead of “borrowing” a committee of experts from a foreign country, as has happened in other states. Our country abounds with people who can perform this unique task without foreign experts, to whom we are allergic!

Should we suggest, for example, that such an organization be formed of a group of representatives of neutral and nonpartisan bodies and organizations that do not take part in the elections, such as the Human Rights Organization, the professional and labor unions’ committees for the defense of liberties, some university professors, and a number of independent intellectuals, legists, and writers who are attested to be impartial so that they may observe and then issue a moral “testimony of the conscience”—just a testimony, nothing more.

It is not the objective of this personal suggestion we are offering for public opinion to set up a control agency atop our numerous agencies. The objective is not to diminish the judiciary’s authority to fully oversee the elections and neither is it to anticipate the events by accusing this or that party of premeditating forgery. The objective is to include the public opinion and to stir its forces so that they may defend democracy with all the means instead of surrendering to negativism and indifference and of avoiding participation in any thing on the pretext that everything is prearranged. Times have changed, and so have the circumstances.

Future Party Candidates Urged To Value Public Interests

90AA0188B Cairo AL-AHRAM AL-DUWALI
in Arabic 8 Jun 90 p 3

[Article by Ibrahim Nafi: “Elections and Hard Choice”]

[Text] I respond immediately [as published]: This law will not take a long time. It will take a reasonable time that is not so short as to be counted in days and not so long as to be counted in months. It will be counted in weeks. This is why we urge this team that is drafting the provisions of the new law to work during the summer, even though it is normally the time for vacations, and that it postpone its vacations till next September, for example, for the sake of this democratic goal.

Some may ask: And what after the new law is drafted?

My answer is: A decree should be issued to suspend the People’s Assembly sessions and to hold within 30 days a popular referendum on dissolving this assembly in accordance with the constitution.

It is true that we all know in advance the outcome of such a referendum and know that the people will approve the dissolving the People’s Assembly. But despite this knowledge, we cannot disregard the holding of such a referendum in observation of the constitution which dictates this procedure and which must be respected.

After the people have said their word in a referendum, a decree will be issued urging the voters to take part in the new elections under the umbrella of the new law and within a period of no more than 60 days, as of announcement of the referendum outcome, with the provision that the new People's Assembly meeting within 10 days after the elections are completed.

Some people may ask: If this is how things are, then why shouldn't a referendum be conducted now?

The succinct answer is that we must give the team drafting the new law enough time to draft it in a comprehensive and impenetrable manner so that a speedy drafting of the law may not constitute a shackle to the team members. The referendum will then be conducted after, not before, the new law is prepared.

After this, perhaps the question preoccupying the Egyptian voters' mind is: Will the new election be by the list, as was the case in previous elections and as some parties advocate, or by the individual candidate system which President Mubarak recommends and desires?

My answer here is all this is left up to the legal team which will examine matters calmly and deliberately. The ultimate decision will serve the interest of Egyptian democracy. Personally, I am inclined to favor the individual election system which President Mubarak believes is more capable of representing the people's will, considering that one individual known to his community is elected under this system, whereas under the list system, one or two individuals can assure success for all the unknown and politically untested names included in a list.

I also believe that during the period in which the new law is drafted and in the period between the referendum and the actual elections, all the parties, including the National Party itself, which continues to hold title of the majority party, must devote themselves to drafting serious political platforms with which to wage the election campaign. Otherwise, precious time will be wasted in making promises that will not be fulfilled and in engaging in oneupmanship at the expense of the country's public interest. The parties must present to the masses new programs that reflect their awareness of the people's pulse, problems, pains, and hopes in the next five years. These must be detailed pragmatic programs and not programs that soar high in the skies of daydreaming. They must be pragmatic programs that can be implemented and which offer practical solutions tied to specific timetables—programs that spell out who will manage them and how we will finance them.

Let us then leave it to the people to make the final judgment, who are capable of making a distinction between programs that address their intellect and conscience and programs attached to windmills.

In this regard, I tell all the Egyptian parties that there is no problem for which there is no solution, and even more than one solution, and there is no problem for

which there is no study, even complete dossiers containing all the solutions. If each party entrusted a number of its honest members to reopen, reevaluate, and revise the dossiers of the party's programs and studies, of studies by research centers, by the Consultative Council, by the specialized national councils, and by varied symposiums and seminars, and then to present serious and ambitious programs with which to face the challenges of the coming years, then these parties would be able to add fruitful practical efforts to the national effort.

So get in touch with the ordinary Egyptian [o parties], get closer to his concerns, problems, pains, and aspirations, and stay in close contact with the masses' pulse. I am confident that all this will help the government which wins the elections to prepare a real working paper that embodies all the feelings, pains, and aspirations of the Egyptian citizen.

Even among the ministers, those who imagine that they have the ability to make offerings in the coming phase and that they are qualified and eligible to participate must present implementable programs, regardless of whether they are included in the cabinet again or whether they get the honor of representing the government party in the new People's Assembly.

What I wish for the members nominated by the parties, to wage the new elections, is no less ambitious than what I wish for the parties and the ministers.

To the majority party I say, while I cling to the hopes and aspirations: Do not rely on the reports of the security agencies solely. As for the criteria for selecting candidates, it suffices that the past history of those selected attest that they are honest, that they will give and will not take, and that they will sacrifice and will not accumulate [wealth]. Those selected must have a history of popular action and of eagerness to serve the people. They must be popular and acceptable to the masses and the masses must be convinced of them as their representatives under the parliament's dome, especially if the election is held under the individual election system.

Beyond this, I hope that none of our parties will nominate candidates who do not possess the minimum degree of education, so that the candidates may understand and truly participate in the reports and the agendas of the sessions which they attend, if they attend.

I hope that the candidates will be able to rally the masses to participate in intrinsic efforts, will not engage in oneupmanship against the government, and will realize that the government cannot solve the problems by itself. I dream, even wish, that we will seek new candidates among the employee groupings and among the professional unions—candidates whom these groupings and unions believe are the best, regardless of the security agencies' reports on such candidates. Regrettably, these reports view with suspicion anybody with the ability to influence the masses or to stir them up. We need such dynamic and positive individuals, regardless of whether they support the majority party or are independents.

I hope that the candidates will be reasonably knowledgeable in their country's problems and in what is possible and what is impossible in the solutions proposed for them, so that the lost confidence between the people and the parliamentary councils may be restored.

I tell the candidates of the other parties: Do not drown the people in a sea of pessimism and do not fill the entire universe with darkness and gloom just because you are outside the ruling circle. Do not turn your party programs into bouquets of rosy dreams which, as you know better than others, cannot be realized. The people understand, they are vigilant, and they are well aware of their interests. They will vote only for those candidates whom they are confident will realize their demands.

I am confident that the coming period will truly test our seriousness, our firmness, and our suitability to complete the democratic procession and to enrich Egypt's political life. We are now knocking at the gates of a new phase in our democratic life. There will be a new election law with nothing to cast suspicion or ambiguity on it. There will be new elections and a new People's Assembly. We, as people, must allow only those capable of giving, sacrificing, and confronting all hardships to sit under the assembly's dome. The seat honors and glorifies the candidate we select for it. It is not a job position to be exploited for serving the candidate's personal objectives or enhancing his status, power, and wealth.

It is certain that we are not prepared to lose five more years of our political life. This is a luxury which we cannot afford and which we do not condone or accept for ourselves or for the future generations. Should we, God forbid, choose wrongly this time, it will be the biggest catastrophe and it will demolish all the hopes that we have built and will increase the burdens straining our shoulders. Aren't the people entitled to experience happiness at least once in a lifetime? Aren't they entitled to have these mountains of concerns removed from their shoulders by our properly selecting those who will speak in their name for five full years under the parliament's dome?

We are in dire need of those who will properly reflect the people's will under the legislative assembly's dome.

We are in need of those who will reflect the people's interest, not their private interests, and those who are loyal to the people's objectives, not their personal objectives.

We are in an even more dire need of those who "know" and who can speak honestly of what they know. We do not need those who speak without knowledge or those who know but do not speak—people with whom we have been afflicted for long periods of our parliamentary life. We are entitled to warn our country of an ill fate with such people, borrowing the words of Thomas Jefferson, the third U.S. president who held office from 1801-1809 and who said:

"Woe be to a nation that willingly chooses to defend its men, half of whom speak without knowledge and the other half know but do not speak."

God protect us from these and from those. We have had enough wasting of the lives of our struggling people who aspire for democracy, justice, and prosperity.

Government Told To Reduce Expenses, Not Raise Prices

90AA0155A Cairo UKTUBAR in Arabic
13 May 90 pp 12-13

[Article by Mahmud 'Abd-al-Mun'im Murad: "Raising Prices or Abolishing Subsidies and the Search for Other Alternatives"]

[Text] Now and in recent days prices and price increases have been the only topics of conversation. Ignoring the matter and paying no attention to it would be like burying our heads in the sand. It would be as though we were disregarding reality and refusing to hear and see what is being said and done in homes, clubs, and in the streets. All of us could have handled this matter well if we knew the truth about our conditions, if we were being attentive, if we were looking for and trying to understand the signs and indications, if we were attaching importance to figures and statistics, and if the atmosphere in which we were living were that of a people fighting a real war. We should be living in an atmosphere of war: we should be fighting a war against poverty, hunger, and indifference; a war against neglect, negligence, and laziness; and a war against waste, indifference, and negativism. What we need, however, is to hear the continuous and persistent sound of the alarm so that everybody can wake up and realize that we are living under extraordinary circumstances. Everyone must realize that the situation we are in is no laughing matter and that we no longer have any time or effort to waste.

Prices could have been raised if the general climate we were living in were compatible with that of the fierce war which fate and our circumstances have decreed we should fight. Everyone would have known that raising prices was unavoidable and that it was a matter of national necessity. Everyone would have expected prices to rise, and everyone would have taken that into account. No one would have been astonished by price increases, and no one would have questioned them. No one would have even whispered a word of blame, criticism, or disapproval if the general climate in which we have been living were compatible with that of the fierce war which we have to fight. I am using the word, war, deliberately to evoke in people's minds the connotations of a nation fighting a traditional war. In such a war people have to sleep in shelters, not in their own comfortable beds, and they have to endure shortages in one or another essential commodity. Instead of basking in the glow of shimmering and colored lights, they have to spend their nights in pitch black darkness, and they have to realize without being reminded that restrictions, hardship, and

suffering are par for the course under conditions of war. I did not mention those horrors of war which all of us are aware of, such as the loss of loved ones as well as losses in life and property.

Unfortunately, however, we go on with business as usual as though everything were normal, quiet, comfortable, and appropriate. If few people—and there are more than a few—are suffering from the high cost of living, high prices, and paltry incomes and revenues, these people do not know at least that matters can get worse, that the crisis can be exacerbated, that the debt burden can become larger, that prices can rise even further, and that goods can become more scarce or even disappear altogether.

People do not know about these matters even though the head of state spoke frankly and candidly about the present and the future in a speech he delivered recently on Labor Day. Although the president did not wish to soften the impact of the crisis, minimize the gravity of the critical situation, or paint a rosy picture of the present and the future, he did portray the present situation accurately. He made no promises that he would raise wages and salaries, and without any bitterness or gloom, he indicated that personal hardship would be involved in dealing with the present situation.

We do not wish to dwell here on the whys and wherefores of this situation which we must all strive to alter and change. We are making these statements so that all of us, rulers and subjects, intellectuals and ordinary people, men as well as housewives, can search together for alternative methods which can improve the situation without putting additional burdens on citizens, especially those on fixed incomes. Although it is true that recent price increases affected goods which may be used only by the well-to-do and goods which may be luxury items or, like cigarettes, for example, goods whose consumption may be undesirable from the standpoint of health, we cannot say that all the goods whose prices have been increased are luxury goods. An increase in the price of gasoline, which is used by people who own cars, can have an effect on people as well as on persons who earn modest incomes. Butane gas is a commodity used by everyone: in today's common parlance that includes the well-to-do as well as those who are not well-to-do.

On our part we expect many other goods, essential ones as well as semi-essential ones, to be affected by price increases. The price of everything which is subsidized by the state, that is, everything for which the state incurs a direct or indirect cost, is likely to be increased in the near or distant future. This is inevitable, and there is nothing we can do about it. Although the government may be somewhat responsible for what we are suffering from, the near and distant past may have a greater responsibility with regard to what we are going through. People of all groups and classes may even be more responsible for what we're going through, at least with regard to the

population explosion which no one wants to perceive as dangerous. No one wants to see that red light at which we must stop.

As I said, what we want to do now is look for alternative ways which would enable us to cover part of the deficit without relying exclusively on raising prices. To put it another way, we do not want to rely exclusively on reducing subsidies or cutting benefits altogether. We want to make it through this crisis without creating problems and hard feelings between the government and the people or between the ruling party and the other opposition parties. We want to work together as one team to cover part of this frightening deficit in the state's general budget and in the balance of payments without making the people, especially those on fixed incomes, become the only ones paying the price for all that at the expense of their standard of living and their ability to find life's indispensable essentials.

There are many such methods which can be used on a daily basis to accomplish that, but we have not yet reached an agreement on them. One of the problems we are facing in defining these methods and reaching an agreement on them is that extraordinary and amazing inconsistency we find in the figures and statistics which researchers must rely upon when they study a general, national problem such as the one we are facing. The inscrutability of the figures, which is a well-known fact, is not a claim we are making to be evasive, it is a fact that we are living with every day. We feel that our lives are a daily a maze of inconsistent figures and contradictory, misleading data.

When we discuss the deficit, we can't even agree on one uncontested, indubitable, or unquestionable figure representing the budget deficit, the balance of payments, or the direct and indirect subsidies. The questions we have about those figures which purport to be estimates of the assets and the profits and losses of public sector companies will grow every day. We will have more questions every day about GNP [gross national product] figures, about the area of reclaimed land, and about vacant residential units. We will have more questions every day about the number of tourists who visited Egypt in a certain period of time, and we will ask how many Egyptians are working abroad, how much money was remitted by them in hard currency, and how much of their money was kept in foreign banks. There are sharp discrepancies between the figures representing the foreign and domestic debt and the figures representing the savings of Egyptians abroad. Discrepancies between such estimates have been astronomical. And yet, we admit we are going through difficult times, and we feel that the shortcomings which are affecting us directly are affecting us all without exception. We are all being affected by shortcomings such as price increases and the devaluation of the Egyptian pound against free, foreign currencies. To put it briefly, we feel that our lives are being affected by inflation.

There is no doubt that the government was forced in recent days to deal with some of the roots of the economic problem. It applied itself to dealing with the problem of growing allocations for direct and indirect subsidies, and it raised the prices of some goods. At the same time, it dealt with another major problem by considering it, proposing a policy to the public, and starting the implementation of that inescapable policy. I am referring to the question of the public sector and those public sector units which may be sold and those whose course may be corrected.

There is no doubt that the public sector question and the question of prices will have a major, concrete effect on reforming the course of our economy, but they are not the only factors affecting our economic reforms. If these two issues could by themselves deal with the general economic crisis, we would have not had to ask questions and to look for alternatives. After all, we can do more than ask questions and look for alternatives. In fact, it is our duty to do more and to study and analyze the other aspects of the problem.

This is not something that Dr. al-Razaz, the minister of finance, can correct by making a decision to raise taxes, for example, or to impose new kinds of taxes or fees. This is not something he can do by working in his office and using pencil and paper to calculate how much of our money the state can get by imposing one tax or increasing another. Nor can the matter be associated with a mere decision which Dr. Yusri Mustafa may make banning the import of a list of essential or luxury goods so that we can save hard currency. This matter is one that requires, first of all, a general sense that we are going through a difficult and an extraordinary period. All citizens must know in their hearts that we have to pursue an austerity policy and that we have to be patient and steadfast. All citizens must know that we have no other choice but to do that. In general, we want to have the same feeling we would have when we find ourselves in an actual state of war. Then, it would become the government's duty in general and the media's in particular to induce such a feeling among the people without putting too much of a burden on them. Government and the media would do that without causing the people to worry and complain, and without letting them blame other parties to the problem. Government as a whole would be called upon to employ its austerity policy and a thrifty approach to public spending to provide a model for the people. Government must refrain from spending any funds on conspicuous consumption abroad and also at home.

But the media must not stop sounding the alarm, and they must not stop their efforts with the public so that people can accept some of the sacrifices which have to be made as a result of the austerity policy. The media must encourage people to observe thrift and wisdom in their own private spending and to follow the example of what the government must do in spending public funds and in the manifestations of spending public funds.

When this is done and citizens really feel that everyone is responsible for taking steps to prevent the danger, we will be able to move forward and to look for those factors which can help alleviate the severity of the problem. We will be able to do that when citizens feel that everyone is responsible for dealing with the country's economic problems and when everyone understands that sacrifices are inevitable and that we have to endure some hardships in our lives until we can get through this crisis. These factors that we would be looking for to alleviate the severity of the problem would be economic, administrative, financial, social, or cultural. Their aim would be to create new values, new customs, and new modes of conduct which would be appropriate for these new circumstances we are experiencing.

Can the country, for example, carry the burden of these tremendous losses in public and private property, in the state's warehouses, and in public sector companies which result from negligence, neglect, and the failure to take security measures against the outbreak of fires which recur every year during inventory season? In addition to these fires, accidents occur every now and then, causing millions of pounds in losses and resulting in loss of life as well. Can we persist in such folly which creates danger and results in millions being lost because someone unwittingly and carelessly disposed of a cigarette? Can such regrettable incidents, which destroy many of our facilities, buildings, and hotels, recur at a time when we ought to be more careful and more vigilant about our public and private property? We must realize after all that under these circumstances we may not be able to replace what was needlessly destroyed by fire.

What we lose as a result of wasted goods and a waste of time, money, effort, and human endeavor is even worse than what we lose when we have a fire that may have been deliberately set or that may have been the result of negligence, ignorance, or neglect. This subject was raised recently in the Advisory Council.

This subject was brought up on a broad scale in duly qualified national councils, and each council was entrusted with the task of looking into the subject of waste in its area of expertise. The councils completed a comprehensive report on everything that causes resources to be wasted, squandered, and lost, but none of the recommendations which were made in that regard was implemented even though an alarm has been ringing for two years. Recently, this subject was considered once again by the Advisory Council, which took up the matter for three consecutive days after Dr. Hamdiyah Zahran, vice president of Hulwan University, requested a discussion of this matter. Dr. Zahran submitted an additional report on the subject of resources that are wasted and squandered. In her report Dr. Zahran said that dealing with the problem of waste can be seen as an unleashing of the state's energies that would increase its productivity. Dealing with the problem of waste was one way of dealing with the economic imbalance and reducing the burden of the balance of payments. Dr. Zahran estimated this waste to be no less than 500 million pounds

every year. She said that waste was not limited to the areas of production and that it went beyond that area to the areas of services, education, health, transportation, the travel industry, and other services. What is lost in the stages of distribution is quite considerable. In the area of labor lost resources manifest themselves in overt and hidden unemployment. This requires that education and training be linked to the needs of society. It requires that an Arab data bank be established to provide an accurate picture of the Arab labor force. At the same time academic and nonacademic education policies are to be reconsidered; restrictions on immigration, on temporary employment abroad, and on travel are to be lifted; and delays in granting work permits as well as conditions placing restrictions on temporary employment abroad and on leaves are to be eliminated.

Another member of the Advisory Council referred to the loss of water used in irrigation and the loss of drinking water. He also mentioned that 40,000 feddans of farm land are lost every year. Dr. 'Ali Lutfi also spoke about this important subject, and he said that taking action against losing and squandering resources requires no investments to speak of. He asked questions about where the losses were occurring, how much was being lost, and how such losses can be eliminated. Dr. Lutfi criticized the primitive ways which were being used to pack and package crops, and he also criticized transportation methods. Mrs Karimah al-'Arusi talked about the fact that the ministers themselves lose time and effort in activities that have nothing to do with the main work that was entrusted to them.

This appears to be the picture of the terrible losses which befall the state's or the people's funds because property was consumed by flames and destroyed in fires which were the result of negligence or were deliberately set to conceal theft and robbery. Losses also occur when, as we mentioned earlier, resources are lost and squandered. If we were to add to all that what is lost in the theft, robbery, embezzlement, and forgery cases which have been reported to the courts, we would find that the total amount of money stolen from public funds appears to be much greater than the total amount of money which may be realized as a result of raising the prices of some goods, reducing subsidies for these goods or altogether abolishing those subsidies. The Central Accounting Agency has recently estimated that in those incidents which have been reported to the courts, and these represent only a small percentage of the total unreported incidents whose perpetrators were not placed on trial, losses in public funds amounted to 5 billion pounds.

If an accurate count can be made of everything which has been burned, destroyed, lost, squandered, stolen, taken by force, and embezzled, that count would turn out to be inconceivable. Dr. 'Abd-al-Mun'im Abu-al-'Azm, past president of the Academy for Scientific Research and Technology, called my attention to one kind of wasteful and dissipative behavior which rarely catches our attention even though it costs the state billions of pounds. This kind of dissipative and wasteful behavior manifests

itself in the huge projects which are started at a cost of hundreds of millions or billions of pounds and then left unfinished year after year for one reason or another. Thus, money spent on such projects remains idle and does not provide any benefits. In the meantime construction prices and machinery prices rise, and prices for everything we import from abroad double, triple, and quadruple. Thus, delaying the completion of these buildings and projects doubles and triples the outlays which had been designated for them. That is why our projects must be completed in the shortest possible period of time, even at the cost of not starting any project until those which we started are completed and the purposes for which they were built are realized. We would thus save hundreds of millions, or rather, billions of pounds.

Can we talk now about the customs and tax exemptions which some people estimate amount to several billions of pounds every year?

Can we talk about the other billions of pounds which are lost because of tax evasion? Stories and anecdotes about tax evasion which are known to everyone are both funny and sad. Can we talk about the embassies we establish in almost all the countries of the world? It would be possible to reduce the number of those embassies if we do what many of the world's rich, big, and advanced countries do. They let one embassy handle the business of a number of neighboring countries.

Did we make a serious attempt to reduce the number of people who work in our embassies abroad, especially in the offices of cultural, health, educational, medical, labor, commercial, tourist, media, and other attaches? The number of people who work in these areas has grown, and they cost the state large amounts of money in foreign currency.

Did we consider reducing the number of ministries? Did we consider how much they cost us in managers, secretaries, cars, communications equipment, hospitality expenses, allowances, air conditioners, and other things which everyone knows about?

Beyond what we mentioned, did we consider anything more than relying on cutting expenses without giving serious consideration to resource development methods?

Everyone's cooperation in considering and investigating this matter is required, and all efforts made in this matter must complement each other.

LE MONDE Investigates al-Fayyum Clashes

90AA0177A Paris LE MONDE in French
14 May 90 pp 1, 4

[Article by Alexandre Buccianti: "The Egypt of Two Islams"]

[Text] In a field laying fallow, a dozen children are playing with "dabbours," these little kites made out of a folded piece of paper. The breeze off of Qaroun Lake

puffs out the paper, which zigzags up into the sky. Kahk Bahari, a poor little fishermen's village at the end of Fayyum oasis (100 km southwest of Cairo), with its blue boats lying in front of one-story houses made of mud or sun-dried bricks and its women in long, gaudy-colored dresses going to the fountain to fill their plastic jugs, evokes peace and poverty.

However it is there, around this same fountain, that a pitched battle took place last week. The bullets of the police killed 16 people and left five wounded among the Muslim integrists who had entrenched themselves in the village. But the killings did not convert Kahk into a village in mourning. On the contrary, the omda (mayor), who lost his power when the extremists took over the law, does not conceal his satisfaction. Kahk has now been purged of all integrist sympathizers; they were turned over to the police, while the young people shaved their beards, a distinguishing sign of the Islamists.

The forces of law and order that have withdrawn from the village are still keeping a watchful eye on it, thanks to the mokhbbers (police aides) scattered along the road of beaten earth leading to Kahk. At the slightest sign, they will alert Ibshaway, the main town in the region. In fact, it is in that town of some 200,000 inhabitants that the reinforcements have gathered. Four trucks full of conscripts from antiriot brigades have been permanently parked in front of the security offices in Ibshaway. Patrols police the region and put up barricades.

In a cafe in Ibshaway, two policemen from the region talk with two peasants while they play dominoes. "They finally surrendered," said a policeman in a khaki uniform. The peasant who was chewing a cucumber did not agree. "These kids kill or are killed. Only brute force will make it possible to end this."

The integrists are not in the good graces of the fellahs in Fayyum. They have just challenged the established order. With the "bearded ones," it is revolution. The young people give orders to the old; practices and customs are contested. What is worse, the islamists exact a tithe, which is frequently higher than taxes.

The province of Fayyum has been an integrist stronghold for nearly two years. However, the groundwork was laid about 15 years ago by Sheik 'Umar 'Abd-al-Rahman, who has become a figurehead. In this oasis he found a favorable land for his extremist ideas.

Fayyum was one of the major exporters of Egyptian labor to Arab countries, and for the past year Egypt has been severely affected by a recession resulting from the large-scale return of Egyptian workers from Iraq. Unemployment has thus compounded the low rate of new jobs. The hardest hit by this situation are not the fellahs, who find work, albeit short term, as day laborers, but the thousands of young people who have secondary school or university educations. These are the potential recruits for the Muslim extremist organizations that abound today in Fayyum.

There are so many of these organizations that they began competing two years ago. Shawki al-Shaykh, a disciple of 'Umar 'Abd-al-Rahman, dissented from the jihad at this time. The young engineer from a powerful Fayyum family formed his own organization, even more extremist than 'Umar 'Abd-al-Rahman's, known as "Al Shawkiyah" by the people living in the region and as "the new Jihad" by the police. Estimates on the number of members in his organization range from several hundred to several thousand.

'Symbols of a Corrupt Society'

Shawki began spreading his appeal for a society identical to the one existing in the time of the Prophet—14 centuries ago—by using cassettes on sale everywhere. In his sermons inspired by some great Saudi preachers, Shawki would speak passionately against "the impious state" and the society that "promotes licentiousness among women" and he would end in sobs, echoed by a chorus of people crying.

Then he moved into action. In recent months, it is the "Shawkiyahs" who have staged a series of attacks causing several deaths, including two policemen, and dozens of wounded in Fayyum. Shawki's targets were not only "the symbols of a corrupt society" but also the Copts. In Sinnuris, a town of several tens of thousands of inhabitants, a number of Christians fell victim to attacks following a rumor that a Coptic grocer had raped a Muslim girl.

In the schools in the town, teachers, who were followers of Shawki, began brainwashing the students, teaching them that "Christians are infidels." The result is that Coptic school children have been put in quarantine and frequently do not want to attend school out of fear of being ridiculed. Even in their games, the children have transposed the teachings of their Islamist teachers. They no longer play cops and robbers, but "Muslims and Copts."

The same scenario, with a few differences, is being played out in Abu Qurgas, in the province of al-Minya in Upper Egypt, where another group of integrists is attacking the Copts. The reason is always the same: rumors that the "Crusaders" have raped or slept with Muslim women. The disease has spread to Asyut, where an anti-Christian tract signed by Jama'at Islamiyah (Islamic groups) was recently distributed. Christians there are accused of making video films of their orgies with Muslim women and are called "pigs, who will soon have to make an accounting."

However, the violence of the police response in Kahk seems to have imposed a period of calm. The integrists have adopted a low profile since then. In fact, Shawki and about 20 members of his organization, usually armed with small crude guns, were killed by the police. But nothing guarantees that the fever will not rise again.

In the major cities, and especially in Cairo, the situation is different. The integrists are marginals. However, more

moderate Islamists—ones who do not believe that violence is the only way of applying the *shari'ah*—are growing more influential. During Ramadan, and for the first time, restaurants in al-Jizah, Bur Sa'id, and several other Egyptian cities were closed from sunrise to sundown.

Rampant Integritism

A parliamentary commission has on its agenda a bill imposing a six-month prison sentence on anyone who breaks the Ramadan fast in public. Pushed by Islamists, the minister of education removed from the fifth grade curriculum a poem in which the famous Syrian poet Nizar al-Qabbani spoke of the platonic love of two children. A writer was imprisoned for writing an essay denouncing religions. Islamist sheiks have advocated the sale of cultural and archeological treasures to pay off the external debt, saying that "the statues were contrary to Islam."

Even though television is a state organ, it has not escaped the new influence of the Islamists. Censure has not only become drastic, but also during the last Ramadan, programs that were either directly or indirectly Islamic increased. The 8 million television sets in Egypt were treated to a series entitled "Jurisdiction in Islam" and to another program in which the good "bearded ones" fought the evil "Crusaders."

However, an official reaction against this tendency is emerging. Seminars attended by sheiks and preachers have taken place throughout Egypt. The grand mufti and other Muslim leaders have condemned religious extremism. President Mubarak and his interior minister have stepped up their warnings against "terrorists." But although these efforts might have an impact on the most virulent integritism, they do not seem to be designed to curb rampant Islamism, which has the greatest chance of being accepted in time by a population crushed by the economic crisis and rising prices.

Chemical Industries Companies Report Large Profits

90AA0156A Cairo *AL-AHRAM AL-IQTISADI*
in Arabic 7 May 90 pp 82-83

[Article by Rawiyah al-Sawi: "Significant Growth for Public Sector Chemical Companies"]

[Text] The 27 companies of the Public Sector Chemical Industries Board achieved significant growth during the first half of 1989-90. Production with a retail value of 1.51 billion Egyptian pounds was achieved, as compared to 939 million Egyptian pounds in the same period last year. This resulted from a serious attempt by the board to enlarge the load carried by the factories, and to induce the workers to establish a nontraditional process.

This was the statement of Muhammad al-Shaykh, the financial director of the Public Sector Chemical Industries Board, who added that the total number of sales was

also in this ballpark, with the same approximate percentage of growth. However, the leap forward that was achieved with regard to exports was impressive, because these companies have doubled the export goal. The amount was 50 million Egyptian pounds, compared to the period's goal of 27.3 million Egyptian pounds, and compared with 34 million Egyptian pounds in the same period last year, with an actual growth of 147.1 percent. In addition, the companies' products generally are not in direct competition with the masses' needs, but, rather, most of them are intermediate commodities that fulfill the requirements of the factories of both the public and private sectors, and are alternatives to imported commodities. As a result, these companies achieved a surplus, before credits and taxes, of 115 million Egyptian pounds, compared to 98.9 million Egyptian pounds in the same period last year. Bank interest was 39 million Egyptian pounds, compared to 44 million Egyptian pounds during the same period last year. The reduction in this burden is an indication of the companies' movement toward self-reliance in seeing to their needs, without always resorting to public withdrawals.

It is worth noting that among these companies are four joint-stock companies, even though the nature of these companies' operations can be described as falling within the category of heavy industries. The four companies are Abu-Qayr Cement Company, Kima, al-'Amah for Paper, and the Misr Chemical Manufacturing Company. We shall look into these companies' production in detail, along with focusing on their profit sheets during the first half of the current fiscal year.

Abu-Qayr's Profit for First Half of This Year—24 Million Egyptian Pounds

The Abu-Qayr Cement Company achieved production with a retail value of 55.6 million Egyptian pounds, compared with a goal of 47 million Egyptian pounds, and compared to 55 million Egyptian pounds in the same period last year. This modest increase in production is attributed to the factories' idleness for 45 days because of repair work. It is expected that second half growth will be 20 percent higher than that achieved last year.

Moreover, during the first half of this year, the company made a profit of 24 million Egyptian pounds, compared to 22 million Egyptian pounds in the same period last year. This was before deduction of subsidy credits and taxes.

Muhammad al-Shaykh, the board's financial director, pointed out that part of the Abu-Qayr Cement Company's profits in last year's budget were carried forward as special reserves, preparatory to using it to raise the capital, when it reaches the statutory limit, and to grant shareholders free shares within the next three years.

Moreover, the nominal capital for this company has been raised from 40 to 80 million Egyptian pounds. This increase will not be put up for public subscription, but will be limited to existing shareholders, because it will

come out of the special reserve fund, which amounted to 6.478 million Egyptian pounds in 1988-89 and, therefore, was a kind of advance payment on the part of the shareholders of the aforementioned increase.

Kima's Profit—3.9 Million Egyptian Pounds

During the first half of this year, the Kima Company made a profit of 3.9 million Egyptian pounds, before subsidy credits and taxes. It also achieved production with a retail value of 36 million Egyptian pounds, compared to 33 million Egyptian pounds in the same period last year. Periods of inactivity, because of periodic maintenance of equipment, were also reduced.

Rakta Company Profit—10.9 Million Egyptian Pounds

The Rakta Company's profits, during the first half of this year, totalled 10.9 million Egyptian pounds, compared to 8.2 million Egyptian pounds in the same period last year, before deduction of subsidy credits and taxes. It is expected that this company's deliveries will increase considerably over last year. The company also achieved production with a retail value of 63.5 million Egyptian pounds, compared to 52 million Egyptian pounds in the same period last year. This was the result of reducing outages for periodic maintenance, and the production of a new type of paper which, for the first time, produces "cutting paper."

Misr Chemical Company's Profits—7.1 Million Egyptian Pounds

The Misr Chemical Company's profits, during the first half of this year, amounted to 7.1 million Egyptian pounds, compared to 2.7 million Egyptian pounds last year, before deduction of subsidy credits and taxes.

Dealing With the Shortfall in the Financial Structure of the Misr Dairy Products Company; One-Half Million Egyptian Pounds Profit

In a private conversation with Engineer 'Adil al-Shahawi, chief of the Public Sector Food Industries Board, he stated that the Misr Dairy Products Company had shifted from a deficit stage to a new stage, in which it earned a profit of one-half million Egyptian pounds during the first half of this year, that is, up to the end of December 1989:

The company has had a great many administrative, production, and labor problems, and its production last year was unacceptable and not marketed locally. However, this has changed, and the company has shifted to a new, serious stage. The board used all its resources to study this situation and, through the efforts of the workers, the company was able to turn a profit by the end of last December, amounting to one-half million Egyptian pounds, compared to a deficit of 6 million Egyptian pounds in the same period last year.

Al-Shahawi pointed out also that the company's problems have been resolved: The problem remained of

increasing the quantities of raw milk required for producing the quantity and quality appropriate to the usage of available capacities, because the company's lack of milk was the cause of the company using 20,000 tons of powdered milk, equivalent to 200,000 tons of raw milk. However, now the quantity of powdered milk imported by the company has been reduced to 2.8 thousand tons, equivalent to 28,000 tons of raw milk. Therefore, production has been reduced, with an impact on the rate of usage capacity, in addition to the fact that there was no tangible increase in the production of raw milk in Egypt.

The thrust of this problem has been to restructure and diversify the company's products again. Pasteurized and sterilized milk, as well as dry and cooked cheese, have been 100 percent produced from raw milk. The company has also changed the prices of dairy products, which were in line with products of raw milk, a fact that caused them to import large quantities.

Moreover, 60 raw milk gathering points have been set up, so that larger amounts can be picked up at one time. This helps to keep raw milk products profitable.

As regards prices, care has been taken that retail prices are economical and appropriate for the masses, while earning a reasonable profit, so that the company can support balanced local market milk prices. That does not mean that the company is losing money. However, after restructuring production and stressing excellence of raw materials and accountability for consistency, as well as monitoring and supervising operations in the company, most of the company's leadership was replaced and new blood brought in from the outside. The head of the financial section was replaced, along with the directors of warehousing and factories. One result of that was the earning of the aforementioned profits, i.e., one-half million Egyptian pounds during the first half of this year.

Fund to Balance Prices and Costs, Deal With Financial Shortfalls of Misr Dairy Products Company

With regard to the problem of shortfalls in the financial structure of the Misr Dairy Products Company, Engineer 'Adil al-Shahawi pointed out that the Misr Dairy Products Company had total losses amounting to 48 million Egyptian pounds. This equates to 48 million Egyptian pounds of public withdrawals, and also equates to 6 to 7 million Egyptian pounds in bank interest each year. Despite the state granting the company an annual subsidy of 5 million Egyptian pounds, the company last year lost 11 million Egyptian pounds, i.e., the fact is that the deficit totalled 16 million Egyptian pounds.

The board has formed a fund to balance prices and costs. The first challenge was to deal with shortfalls with regard to certain companies that were damaging to the Misr Dairy Products Company, so that the fund is covering the interest on the company's public withdrawals. That will continue until the problem of shortfalls in the company's financial structure is overcome.

We also asked for the subsidy to be removed from the company, provided that the company be run economically, that is, to sell at economical prices along with realizing a profit margin on its products. This would be much better. It is unreasonable for us to ask the chief of a deficit company to cover the interest on public withdrawals, achieve profits of 3 million Egyptian pounds, and also to sell at prices below costs, all because he gets a subsidy from the state. Because of all this, the company in fact earned one-half million Egyptian pounds profit during the first half of this year. This is expected to be much better by the end of this year.

Problem With Licenses To Build New Dairy Product Plants

Eng. 'Adil al-Shahawi stated that establishing new dairy product companies, and granting licenses for that, was a problem: How are they to be valued, when you turn around and say that dairy product companies are having a difficult time, because of the nonavailability of the raw milk and raw materials required. This would ruin investments and capacities. It is well known that when existing companies operate at 75 percent of capacity in this situation, new plants and companies are allowed to be established, but when there is a limitation, we find that all investment companies without exception, as well as the Misr Dairy Products Company, would only operate at 50 percent capacity at most. It is unacceptable and unreasonable that I establish new industries for dairy products and grant licenses, and that we use up investments without earning interest. The only thing that happens is damage to the national economy, both in the public and private sectors. Of course, there will be a halt until the plants currently in operation reach their ideal capacity use.

Importation of Dairy Products and the Milk Industry's Income

There is the issue of importing and the exemption of imported dairy products from customs fees, while this industry's income and requirements are subject to custom duties. Should the customs policy be drawn up to protect the importer of finished dairy products or, firstly, to exempt production requirements? We ask this question everywhere, but unfortunately, there has been no response.

Coptic Political Developments Book Incites Controversy

Book's Findings Favored

90AA0173A Cairo AL-AHRAM AL-DUWALI
in Arabic 10 Apr 90 p 7

[Article by Fahmi Huwaydi: "On Political Christianity"]

[Excerpts] Calls for renunciation and *takfir* [repudiation], for *al-hakimiyah* [self-righteous judgement of others], and for separation from society or for antagonizing it, are not exclusive to the Islamic groups alone.

Rather, they have their equivalent among the Coptic groups as well. Just as there is political Islam, a certain political Christianity has emerged in the past two decades. Just as the Islamists say Islam is a religion and a state, the leadership of the Coptic Church in its new era has come to adopt a similar slogan—that Christianity is also is a religion and a state.

It is not us who are saying this nor have we discovered it. It is some of what is said in an interesting book published in Cairo a few days ago entitled "Political Christianity in Egypt," by Dr. Rafiq Habib, a promising Christian researcher.

The importance of the book lies in the fact that it defines—perhaps for the first time—the most prominent features of trends of thought inside the Christian community in Egypt, with particular emphasis on the influential political currents in the ecclesiastic environment. Thus the author completes a project he began last year in a book entitled "Religious Protest and the Class Struggle in Egypt."

Political Christianity, as reviewed by the researcher, is that which transcends spiritualism to materialism, and the devotional to the social, the economic, and the political. In all this the Church exercises neither power nor function, nor does it aspire to rule; but it does play a role and therefor it forms an opinion and a stand on matters concerning the Copts on various public issues.

In all circumstances political Christianity assumes that the clerics are the ones who undertake such a role. Consequently, the Church is the sole legitimate representative of the Christians and not the intellectual Copts or their political elite. [passage omitted]

However, in this regard the researcher makes no reference to yet another reason of significant importance, namely the emergence of the role of the generation brought about by the "Sunday schools" in the Church leadership and in the sphere of Coptic thought in general. Foremost among the children of this generation was Pope Shanudah who became patriarch of the Orthodox Copts in the early seventies (1971).

The author did not ignore this point; he referred to it implicitly in other places in his book "Political Christianity," while he brought it up openly in his book "Religious Protest in Egypt", in which he says: "The history of Christian political revival begins with the date Pope Shanudah III was installed in the chair of St. Mark in 1971" (p 16).

The author analyzes Pope Shanudah's public speeches since assuming the papacy. He distinguishes in them two levels of speech: First, the ceremonial speech supporting the state, and then the identity speech, which is an opposition speech, by underlining the distinction and the special character [of the Coptic community].

He notes that the Church does not oppose the State politically; it did not oppose *al-infitah* [the 'open door'

policy, liberalization the the Egyptian economy instituted by Sadat] or the peace with Israel. But the opposition speech focuses on matters concerning the Copts and what is known as the Coptic demands.

On the other hand, the Church resorted to other means of opposition, including refraining from supporting the government without opposing it; in other words, negative opposition. Here negative violence appeared as a basic feature of the Church's attitude toward the State, this being a means of opposition, without becoming involved in the risks of direct opposition," (p 45).

The author devotes a chapter in his book to the question of negative violence as being one of the most important propositions the Church has adopted since the seventies. In this chapter he examines some of Pope Shanudah's writings, whether in his book about the personal statute of Copts, or his articles published in Cairo's AL-JUMHURIYAH in 1971 and 1972, because of their being samples of the speech which are basically religious but have political opposition overtones.

At the same time he refers to the Holy Synod resolutions in 1977 regarding the Copts' demands and problems, and to refraining from holding holiday prayers in 1980 as being one of the means of political violence adopted by the Church.

He quotes Pope Shanudah's book "Spiritual Wars" as saying that political violence finds expression in "continuing depression, constant crying, hunger strike, sorrowful silence, and withdrawal...all of which are types of calm and silent violence constituting constant pressure on the other party."

In the opinion of Pope Shanudah, "violence would be permissible in punishing the reckless sinners who threaten the society with crimes that destroy it or destroy its heritage and values. There is a difference between public right and private right. We might be flexible over our private rights but there is no flexibility over public right."

Commenting on Pope Shanudah's words, the author says: He believes that resorting to violence coincides with the existence of danger to the public right, which means that the conditions to which objection was expressed represent, in his view, the Coptic public right as well as the Egyptian public right; in other words, they are conditions threatening the safety and structure of the society and, consequently, lead toward the adoption of firm stands. (p 50)

This is the extent to which the Church leadership's thought is concerned. With regard to the situation inside the Christian community, the book is full of important details worthy of consideration. The reader of both books—"Religious Protest" and "Political Christianity"—would conclude that the "Sunday schools" that were established in the forties are the "mother organization" that produced the various Coptic factions and cliques that played an important role in the Christian

society. We cannot be certain that the Sunday schools were a reaction to the Muslim Brotherhood's activities in Egypt, but most likely they played the same role the Muslim Brotherhood played among the Muslims.

These schools produced the "Coptic Nation" group which kidnapped Pope Yusuf II in 1954 in order to change the church leadership and the laws of electing the pope. It is the group that called for establishing the Copts' special identity and for propagating the Coptic language among the Copts.

Some of the important information the author reveals is that at the beginning of the seventies and with the beginning of the emergence of Islamic groups, a parallel system of university coteries among the Copts and activist groups in the Anglican church had appeared. According to this system Christian students in every college and university had an organizational framework binding them together. These held regular meetings in churches.

With regard to the Christian clerics, they are tugged by various currents.

There is a current, described by the author as "spiritual isolationist," which believes that the Church has nothing to do with politics; its basic duty is religious teaching. Groups have emerged within this current that are seeking to establish a life of their own, distinct from the society and cut off from it. The author differentiates between several factions of those groups, but he considers the thinking of these people to be ignoring all the elements of reality and concentrating on the religious aspect only, eagerly affirming seclusion from worldly life in order to maintain religious purity. For this reason they reject the Egyptian society, including Muslims and Christians who believe differently, and establish a kind of rejection toward the society.

In the meantime they create a substitute for life, reality, and the world, which is a world of spirits, evil spirits, and the devil. That becomes the world of this group and their wars and conflicts concentrate on this. In this spiritual world of theirs they are in fact declaring war on reality.

Father Danyal al-Baramus, an engineer who joined priesthood in al-Minya and became famous in Egypt but was banned from delivering lectures in Cairo is one of the figures of this school. Despite that, his writings are very popular.

He always concentrates on the kingdom of light and its war against the kingdom of evil. But only his followers are worthy of this kingdom. Other Christians are outside the circle of belief, varying in their degree of infidelity. He considers television one of the tools of the kingdom of evil to fight the believers. Therefore, he calls for boycotting it. In his war against evil he attacks society, the Church, and the Muslims.

The researcher notes that some of those belonging to this isolationist spiritual current are changing their positions.

Some of them leave this isolation to take up struggle and spiritual war (such as father Samih Musa of the Anglican Church in Cairo.) And some others are trying to establish a strong group of faithfuls in order to resolve their conflict with the society (including priest Zakariya Butrus who was the parish priest in a Misr al-Jadidah Church; he caused many problems which ended with his appointment as a parish priest in a Coptic Church in Australia.)

There are also other groups that have split with the Church and are in conflict with it. The author cites groups belonging to individuals such as Muhsin Nazim, Max Michel, Nabil Jabbur and others.

One of the basic features of the thought of these groups is that they reject the contemporary church and call for a real church that is headed by Jesus Christ and not by the church hierarchy. The author believes that this idea is the Christian counterpart of the idea of God's rule among some of the Islamists. Its proponents believe that the Christian community has come under the control of the Church leaders and, therefore, rule within the Church has become for humans and not for God (the Lord Jesus.)

All this is outside the sphere of political Christianity. As for the second circle, which is the wider one, the Coptic Church leadership is the axis and the mover in it. We have earlier referred to Pope Shanudah's position and his view of the situation. But, naturally, he is not alone in this, though he is the most important figure of that school which we said came from the Sunday school's melting pot.

Within that circle, the belief upheld is that Christianity is a religion, a world, and a state. But there are also those who believe that it is also in the concept of values and ethics; in other words, it is the source of values for the state and the method of its performance. Dr. William Salim Hanna, one of the most prominent Coptic thinkers, is foremost among these people. He too is a Sunday school child.

But some others say that the Holy Bible is a religion and a state in actuality, and not in the metaphorical sense of the word. Abba Gregorios, bishop of scientific research in the Coptic Church, represents this school. He frankly states that the Holy Bible contains a great many facts of the material and human sciences, from astronomy and chemistry, to law and dissection.

Within the political Christianity circle there also exists yet another current comprising some educated Copts, the product of Sunday schools too. But the activities of these is distant from the Church. They adopt a secular stance that rejects the Church's involvement in politics, and consider that the Copts' representatives to the State are the political elite and not the clerics. These include Dr. Milad Hanna, who, the author believes, distanced himself from the Church at the beginning, but got closer to it in the past few years following the developments in Egypt, to the extent that he has been trying to link his

religious roots to his political views. We see this clearly in his book "Copts, Yes, But Egyptians", in which he reiterates the Copts' demands and complaints.

The book does not surprise us but rather interests us. The picture he draws is found in all Christian societies. It interests us in that it is the first attempt of its kind with regard to Egypt—at least as far as we know—and in his concentration on the aspect of political Christianity, which raises many questions needing answers. These include, for example: Is this suggestion a response to the historical condition which Egypt is passing through? Is it a defensive position, or is it an expression of an ideological commitment? If it is the first case, what are its scopes, checks, and possibilities? If it is the second, why did this call appear now and did not appear in the Coptic Church before?

Also, does this trend represent the attitude of all the influential Coptic elite, or is it an endeavor and an attitude by the present Church leadership?

On another level, the book introduces us to other currents in the Church, primarily young people. But we do not know the magnitude of these currents and how far they exist among the Coptic community.

Finally, the timing of publishing this book now is significant, for it came in the midst of the existing controversy over the Christian-Islamic issue, especially since an observant reader would notice that it was written with a certain amount haste.

Pope Shanudah III's Criticism

90AA0173B Cairo AL-AHRAM AL-DUWALI in Arabic
17 Apr 90 p 7

[Article by Pope Shanudah III: "Christianity and Politics"]

[Excerpts] [Box, p 1: I have received four comments on last week's article on "Political Christianity" which I believe should be given priority in publishing. This is in addition to the unusually large number of letters I have received in the past few days. The importance of these comments does not lie in that they eliminate misconceptions and clarify views contained in the review of the book on political Christianity, but rather in the fact that their authors are distinguished people of authority.

Foremost among these is Pope Shanudah III, Patriarch of the Orthodox Coptic Church and head of the Coptic Church, who is writing the lead article on this page this week.

The second comment comes from Dr. William Sulayman Qiladah, former deputy chairman of the State Council, one of the most illustrious nationalist intellectuals in Egypt, and author of many well-known books on Coptic history and the Egyptian society.

The third comment is from Dr. Rafiq Habib, the author of the book "Political Christianity in Egypt" which I reviewed last week and which had great repercussions both in Egypt and abroad.

The fourth comment is from Dr. Layla Takla, member of the People's Assembly, a writer, and renowned for her nationalist views.

By Fahmi Huwaydi

At this time when every effort is being made to deepen love among the people, consolidate peace, and tend the wounds of national unity that were the result of what happened in al-Minya and Abu Qurqas, AL-AHRAM came out with an article on political Christianity in which it reviewed the ideas of a Protestant young man who has rebelled against the entire situation, who levels accusations without due care or evidence, attacks all the leaders personally, not only in the Coptic Church but even in his own Anglican Church. He even attacks the Islamic leaders and Islamic preachers and shaykhs for what he calls the "conflict between the turban wearers and the tarboosh wearers." He analyzes the religious leaders' character, probes into their intentions and objectives, imagines for them goals and means, and attributes every spiritual and pastoral action to a political motive. I would have thought that as a researcher in social sciences or in anthropology, like all scientists, he should resort to field research and not just rely on the books he reads. He should interview the people whose personality he is analyzing, talk to them, and find out their ideas and leanings so that his research will be as close to the truth as possible. But he did not do so. Instead, he presented his personal conclusions as a reality or a fact. He spared no one in his accusations. We believe that what he published in his two books and what the AL-AHRAM newspaper published for him is contrary to history and reality.

Fahmi Huwaydi said at the end of his article on this author's book: "Finally, the timing of publishing this book now is of significance, for it came amidst the existing controversy over the Christian-Islamic issue, especially since an observant reader would notice that it was written with a considerable amount of haste."

Now I would like to make certain comments on what has been published:

Definitions:

First of all, I would like to say that in all our writings we need to understand the deep meaning of many of the current expressions and look for their definitions. For example, what is meant by the term politics and what does political Christianity mean? What is the difference between politics and patriotism? Also, what is the meaning of extremism? Is it extremism in thought or extremism combined with violence, assault, or crime? Also, what is the meaning of violence and what are its

outlines? What is the meaning of Christianity in the article? Is it Orthodoxism or Christianity in all the churches?

The article's foreword says that "political Christianity as reviewed by the author is that which transcends the spiritual to the material and the devotional to the social, economic, and political." Who said that such a definition is acceptable? What is the definition of the terms spiritual and material? For example, does not the spiritual person feed the hungry, clothe the naked, help a person in a financial crisis? Do these things come under spiritual action, social action, or economic action? Or shall we say that spiritual action covers all these? Spiritualism calls upon us to be compassionate and charitable. Compassion accustoms us to helping the needy in their material needs and to contributing to solving their social problems and economic crises.

So, if the Church participates in these actions, would it be leaving its spiritual and devotional action to material or social action? Can the Church close its heart to helping the needy because of the excuse that its function is only spiritual and devotional? Will this be accepted from it? Christ the Lord himself used to teach the people and preach the Kingdom of Heavens and, at the same time, was feeding the hungry, healing the sick, and consoling the brokenhearted.

The Church and Politics

The article says: "In all this the Church exercises neither power nor function nor does it aspire to rule; but it does play a role and therefore forms an opinion and a stand." The question is: Do we want a church without an opinion and without a stand? If it were so, would it be useful for the society in which it lives? Will it be useful for the State? Does the researcher and the author deals with the relationship between the Church and the State here and divide it into periodical stages? Prejudice against the Church here is obvious.

If the Church cooperates with the State, he describes it as interfering in politics, and if it remained silent, confining itself to spiritual and devotional work, he characterizes it as being isolationist, rejectionist, indulging in political violence, and embarrassing the State by distancing itself from it.

What should the Church do then? Should it integrate itself into the society in which it lives, share its joys and pains, and do as the Bible says, "Rejoice with the happy ones and cry with the weeping ones?" If it does so, will it be deviating from spiritual and devotional action to social or political action, according to the author? If it does not do so, will the author characterize it as isolating itself from society and rejecting it? This is a perplexing matter.

In the 1919 revolution, history describes with pride how the priests used to deliver speeches in al-Azhar against British occupation and how the Church cooperated in

this field. Was this a deviation from spiritual and devotional action and interference in politics for which the Church should be blamed?

Or was that a patriotic action? We would like to ask here about the line dividing patriotism and politics. Generally, we express no opinion unless we are asked to do so. Should we remain silent if we are asked? Wouldn't our silence then be construed as being due to pressures put upon us, depriving us of our personal freedom.

If we remain completely silent, wouldn't we be hearing critical voices from every direction wondering "where is the Church's role in enlightenment?" Why is the Church so negative in its stand? Should we respond that the Church is required to be without an opinion? We are not involved in politics, we have no time for it, nor it our concern. But there are certain situations in which, if we remain silent, we would be blamed for our silence and would be accused of negativism.

The researcher and author here discusses a subject which Fahmi Huwaydi describes as "of importance, which is the Sunday school and the Sunday schools generation," and the figures "that graduated from the Sunday schools." We shall answer his questions in this regard.

The Sunday Schools

The Sunday schools are classes for teaching religion in every church; their only objective is religious teaching and training the children on attending church and on leading a virtuous life of loving God and the people. It is part of the spiritual and devotional action. It is a lesson for the adults [as published]. As for the young ones, they have the Sunday schools which we now call the Schools of Church Upbringing. They also meet on Fridays.

At no time did the Sunday schools ever interfered in politics in any way, nor have they ever had a political role. Any attack on them is unjustifiable and groundless.

As for the Coptic Nation group that kidnapped Pope Yusuf II in the early fifties, it does not belong to the Sunday school nor it had anything to do with them in any way. What they did was merely an individual action that lasted only one day. It was criticized by everybody.

Sunday schools in Egypt began with the beginning of the 20th century. They had their roots in the schooling system that was attached to the Church for many centuries, in which the prefect would teach religion, rites, and hymns.

Therefore, they are not a reaction to the emergence of the Muslim Brotherhood because they existed decades before that. They had to continue teaching the children, whether or not Islamic groups of any kind emerged. [passage omitted]

The Sunday schools are part of the general ecclesiastical system and are subject to the Church leadership and not to any independent group. They are attended by students and teachers just as they attend church mass.

However, every teacher in Sunday schools has his individuality, his own way of thinking, and his own ties to society. Inside the church teachers taught religion, but outside it they were individuals; each of them had his own style that agreed with his psychological and intellectual makeup and his social conditions.

Extremism and Violence

A question that many people often ask is: Is there religious extremism on the Coptic side? Here we would ask: What extremism is meant here? Is it extremism in thought or extremism against others? Where thoughts are concerned, we cannot guarantee that among the millions of people everybody's thinking is sound. The thoughts of some people may deviate, in which case it is the task of the Church to provide sound teaching and guidance to those whose thoughts are wrong.

With regard to extremism combined with violence and harm, it is nonexistent among the Copts.

Obviously, punishing crimes and protecting society against criminals is the function of the State. But the researcher—may God forgive him—has tried to draw the inference from this acquiescence on the use of violence by injecting a phrase of his own regarding the "Coptic public right" which we absolutely never mentioned and which does not agree with the spirit of the article. He has forgotten Jesus Christ's saying "Blessed be the makers of peace, for they are called the sons of God." He accused the Church of negative violence which we described as being similar to continuous depression, incessant crying, hunger strike, sorrowful silence, and withdrawal. Clearly, the Church did not adopt this kind of behavior that sometimes occurs in a family circle among some people.

Identity and Popularity

According to the researcher, every pastoral action taken by the Church serving its children for whose spirituality it is responsible before God is a popular gain and a confirmation of identity. He has thus deviated from the spiritual concept of pastoralism and the responsibility of paternal spiritualism. He regards the Church as attracting the people to itself instead of adopting the pastoral concept of attracting them to God. He talked about the "Church's popularity" instead of the Church's pastoral work. It is strange thinking that has been unable to rise to the level of the spiritual meaning.

[Words indistinct] we are absolutely not in need of it [words indistinct]. We are Copts and are not in need of confirming that we are Copts. We are Egyptians, and we are the children of this beloved country, about which we said: "Egypt is not a homeland in which we live but rather a homeland that lives in us."

Finally, I would like to assert to Fahmi Huwaydi that there are no Christian groups that call for denunciation and repudiation, nor for theocracy. Throughout my service in church for 50 years I did not hear these two terms in the Church circle and I did not observe any

practical existence of either of them. This is one point. The other point is that if, at any time, an individual deviates from the Church's sound thinking, this cannot be regarded as a trend or a current inside the Church or that he represents a group in it.

My opinion on the two books he presented to the public is that they are merely the personal thoughts of a researcher who is free to think. However, I wish that his freedom did not go as far as attacking the Church leaders, many of whom he most probably does not know and did not mix with. My advice to him as a researcher is to rethink what he has published. For much of his information does not agree with history and reality and, in my view, in no way agrees with the public interest.

Finally, I wish you a rewarding [Ramadan] fasting and happy holidays. May God return you to these days in prosperity and blessings.

Asyut Residents Recount Sectarian Violence in Manfalut

90AA0165A Cairo AL-MASA' in Arabic
30 Apr 90 pp 1, 2

[Article by Ahmad 'Umar: Manfalut Incidents...From Beginning to End"]

[Text] Normal life has returned to Manfalut, after the bloody incidents that occurred during the procession of the *Mahmal* [camel-borne litter used to carry the Kaaba cover to Mecca] on the first day of 'Id al-Fitr [Feast of breaking the Ramadan fast]. The incidents' victims numbered five dead and 43 wounded. Three of the latter are still in serious condition, and the Prosecutor's Office has so far been unable to question them.

The investigations of Mahmud Sayyid and Mustafa Nuwayr, agents of the Manfalut Prosecutor's Office, under the supervision of counselor 'Abd-al-'Aziz Mukhtar, the public lawyer for Asyut, have resulted in the release of 116 suspects and the remanding of 51 others for a period of 15 days at the investigation's disposal. The seven charges brought against them are murder, attempted murder, obtaining arms without a permit, riotous assembly, resisting authority, deliberate arson, and robbery.

The Prosecutor's Office also ordered the confiscated weapons be handed over to the criminal laboratory for testing. The weapons include two revolvers and three locally made pistols, with some live ammunition.

AL-MASA' went to Manfalut, and met with eyewitnesses and all the executive and popular officials in order to uncover the complete truth about the background of this clash that occurred between security forces and citizens and the excesses that were committed during the procession. AL-MASA' also accompanied Major General Hasan al-Alfi, the governor of Asyut, on the tour he made to offer condolences and some financial assistance to the families of the victims.

Recent Years

Ahmad Taha al-Farghul, representative of the Office of the Shaykh of Sufi Orders in Manfalut, stated that the *Mahmal* procession was merely a custom carried out by the people of the Manfalut District. The annual symbolic procession is observed on the morning of the first day of 'Id al-Fitr, which marks the anniversary of the passing of the al-Hajj procession and the *kiswah* [specially made cover] for the Kaaba, through the city on camelback, during the trip from Cairo to the holy land [Mecca], before the opening of the Suez Canal. Ahmad al-Farghul added that Muslims and Copts participate in this celebration, led by the religious ulema and the Sufi shaykhs. It used to fill all the people of Manfalut District with a kind of joy and delight, but... "five years ago, certain riffraff and drunks began to take over the celebration, shouting ugly epithets and attacking the property of Muslims and Christians. This caused the clergy and educated people to avoid participating in the procession. We became afraid to see the 'Id al-Fitr arrive, because of the abuses that accompanied the procession, inasmuch as now the procession attracts those who cause riots among the unemployed and those who have criminal records. In their hands they carry wooden beams that are five meters long, tree trunks, knives, cleavers, and swords, and the smell of alcohol from their mouths is discernible from many meters away."

The representative of the Office of the Shaykh of Sufi Orders emphasized the need to ban the procession, so long as the procession is dominated by those hooligans and drunks who do damage to Islam's image and to the Sufi Orders. He added that Muslims and Copts were one family in Manfalut, and that there was no [religious] justification whatever [for the violence], since the hooligans directed their attacks against everyone. He pointed out that the Christian priest Mikha'il used to participate in the *Mahmal* procession, until he became disabled by illness in recent years. Al-Farghul wished the priest a speedy recovery.

Al-Farghul went on to say that the riffraff had attacked a house adjacent to the house of Muhammad Hamid Abu-al-Nasr, the Muslim Brotherhood's supreme guide, who happened by chance to be inside the house. He, and those with him, hurried to confront the attackers, and they took part in putting out the fire.

Shaykh Ahmad 'Abdallah Muawwad, headmaster of the al-Azhar school in Manfalut, stressed the same idea. He said that, in recent years, only vagrants have taken part in the procession because of the occurrence of matters that have no basis in law or religion. On the contrary, it was a disgrace to mankind. He added that the Islamic Society agrees with the decree cancelling the *Mahmal* procession, which has been issued by the executive authority.

'Abdallah Hasan, the vice-principal of the Commercial Secondary School in Manfalut, and a member of the

society, said that what happened in the *Mahmal* procession had no connection with religion. He emphasized that the society had demanded that the procession be cancelled, or rather, that they be given a positive role with regard to advising citizens not to think that this celebration was compatible with the Islamic *shari'ah* [religious law].

Engineer 'Abd al-Hakim Sawi Muhammad, acting chief of Manfalut's local district council, said that in recent years, the *Mahmal* procession had changed from being a manifestation of religious celebration, an expression of holiday joy, and had turned into extreme anarchy. He confirmed that furniture shops, on the eve of the *'Id al-Fitr*, rented wooden beams for four Egyptian pounds each to the vagrants. They would use them to dance with during the celebration and to attack the property of others.

Sawi added that he had asked security to take into custody suspicious persons, and those who constituted a danger, until the celebration was over, but this was not done... "I should stress that popular efforts succeeded in reducing the number of this year's participants in the *Mahmal* procession, from 20,000 to less than 3,000, because all the people of Manfalut's 28 villages were prevented from going into the city on the day of the *'id*.

The chief of the local district council accused certain members of the city council of not complying with the ban order, and said that they supported holding the *Mahmal* procession in order to obtain spurious popularity among those riffraff.

Popular Leaders

Sa'd 'Abd-al-Halim al-Qusi, chief of the local city council, reiterated that the consensus of the council—at the outset, on 7 April—was to approve the holding of the procession. "However, this approval was in principle. And when we found that security was opposed, and the district commander asked us to pledge to bear responsibility for holding the procession in an administrative proces-verbal, making the members criminally responsible before the courts, we agreed to ban the procession."

Sa'd al-Qusi accused the head of the city council of being the cause behind what happened, because he provoked the citizens' feelings by the way he talked during the meetings he held. In these meetings, he had declared his insistence that this procession would not be held. Sa'd al-Qusi again declared his condemnation of the incidents, stressing that he had witnessed the mobs burning the car of his neighbor, who is a doctor, as well as his pharmacy, which is located below the doctor's house. Sa'd al-Qusi said that Zaki Badr, who was governor and minister of the interior, had failed to ban the *Mahmal* procession!

Carnival of Looting

Brigadier General Ahmad Hamid al-Sarsi, chief of security of the District and City of Manfalut, defended the

decision to ban the *Mahmal* procession, saying that this decision was made at the highest level of responsibility, and after thorough study. He said that throughout the past five years, attempts were made each year to cancel the *Mahmal* procession, but certain popular leaders always intervened to frustrate these attempts, in order to please the riffraff. He added that last year, Muhammad 'Abd-al-Halim Musa, the [former] governor of Asyut, tried to clean up the procession and surround it with a security shield so that it could return to what it used to be—a religious celebration and not a carnival. However, the attempt failed and excesses occurred, which resulted in the destruction of several houses and commercial shops. Security was unable to intervene because of the huge number of participants in the procession, because they wanted to avoid a massacre.

Brigadier General Ahmad al-Sarsi confirmed that throughout those years, the law was absent from the city of Manfalut on the day of *'Id al-Fitr*, and that the *Mahmal* procession had been transformed into a carnival for looting and dealing in capsules. This was confirmed by Major General Mahmud al-Fakhrani, assistant minister of the interior and director of Asyut security.

He [Brig. Gen. al-Sarsi] added that the celebration has also turned into an opportunity to settle accounts with enemies by those hooligans, by means of shouting ugly words, shouting against officials who do not please them, and destroying houses and shops of those who refuse to pay extortion money to them. He stated that the mobs were out of control; all types of gangsters have banded together.

Mahmal Cancelled

Brig. Gen. al-Sarsi stated that on 17 April, a decision was issued by consensus of the local city council to ban the *Mahmal* procession. A meeting was held, chaired by Major General Hasan al-Alfi, the governor of Asyut, attended by all the security and popular leaders. They debated this matter, and decided not to hold the procession. Another meeting was also held, chaired by Muhammad 'Abd-al-Muhsin Salih, head of the governorate's local council, attended by all the popular leaders. Agreement was reached to advise citizens not to participate in the procession, and to explain the reasons for the ban. Brig. Gen. al-Sarsi added that these efforts were fruitful, but some hooligans sneaked in and attempted to bring out the *Mahmal* by force. The police resisted them.

Brig. Gen. Muhammad Abu-Rih, the commander of the Manfalut Police Station, stated that the incidents lasted no more than an hour, and that there was no alternative to what happened, on the basis that bringing out the *Mahmal* would have caused enormous damages, the extent of which only God could know. He added that a ban on holding the procession would have been decreed

years ago, "were it not for the efforts of certain popular leaders, who granted the request; so, we hold them responsible.

Maj. Gen. Hasan al-Alfi, in his interview with AL-MASA', calmly explained the motives for issuing the order to ban the *Mahmal* procession. He said that "it was impossible, no matter what the casualties, for us to leave a city at the mercy of a group of hooligans...There was no choice but to resist decisively, in order to prevent the carnival, which might have led to extremely serious problems."

The governor of Asyut stressed that he had studied previous attempts to prevent excesses during the procession, and had found that all of them had failed. He added that he had made desperate efforts shortly before the holiday to prevent the *Mahmal* procession by peaceful means. Despite the fact that these attempts had met with success, some persons succeeded in sneaking in, and they tried to destroy everything that came to hand. There was no option other than decisive action.

The governor said that this accursed procession would not return, that security carried out its role in response to the violations that had occurred, and that he would review celebrations of religious anniversaries, in order to cleanse them of all manifestations representing violations of Islam.

In the tour that the governor made to offer condolences to the families of those killed, all of the families rejected the incidents connected with the procession of the *Mahmal*.

Airforce Chief Discusses U.S. Aircraft, Autobiography

90AA0165B Cairo AL-AKHBAR
in Arabic 22 May 90 p 4

[Interview with Egyptian Air Force Chief Major General Ahmad Nasr by Faruq al-Shadhli: "We Have Contracted for Apache Helicopters, Equipped Our F-16's With Radar Missiles"; first four paragraphs are AL-AKHBAR introduction; date and place not given]

[Text] The competition of voices...the competition of aircraft and missiles; the competition to control the skies, recently invaded by artificial satellites. This competition reveals something new and modern every day, using the most complex technology of our time for this race.

Major General Nasr, the new Air Force commander, was interviewed by AL-AKHBAR, in order to get the facts straight.

We have contracted for Apache helicopters, the most modern helicopters of the modern age. We will start to receive them in 1993. The American F-16's have been outfitted with advanced radar-guided missiles. We have begun to configure our aircraft for inflight refueling,

after our pilots demonstrated their expertise in this field through joint training. A supplemental contract has been signed for 20 French Mirage 2000 aircraft, and agreement has been reached on the arrival of the fourth batch of American F-16's.

Artificial satellites do not mean doing away with ordinary air reconnaissance means, including pilotless drones, through which we obtain the most precise and best information. All of these points were made in the interview that Major General Ahmad Nasr, the new Air Force commander, gave to AL-AKHBAR.

[al-Shadhli] What is the size and date of signing of the Apache helicopter deal, and when will they start arriving in Egypt?

[Nasr] The contract for the squadrons of American Apache helicopters has been concluded, and their arrival in Egypt is expected to begin in 1993. These helicopters represent a new dimension in airforce ground support capabilities to field armies, because they have superior armament and maneuverability. They represent a first-rate, direct threat to the enemy's armored forces. This is in addition to the many other tasks that they can perform, such as being the first combat helicopter capable of maneuvering and easily destroying the enemy's fortifications.

We Keep Up With World Development

[al-Shadhli] Has the contract been concluded for the air supremacy missiles (air-to-air), used by the F-16 aircraft?

[Nasr] The Air Force always keeps up with world armament developments; it never stops looking for something new in the international arms arena, in order to underscore its status as an effective air force in the Arab region.

From this perspective, it was determined that the multipurpose aircraft (F-16's) should be equipped with advanced radar-guided missiles, in addition to their heat-seeking missiles, in order to enhance their diverse capabilities and increase their efficiency in air combat. These missiles change the coefficient of air superiority, and achieve far better results than the traditional heat-seeking missiles.

[al-Shadhli] With regard to technical maintenance, what is the extent of the Air Force's role in this field, especially regarding the F-16's or the missiles used by these modern aircraft?

[Nasr] The Air Force's technical maintenance system is performed on a strict basis, which allows us to raise the technical proficiency of our aircraft. This is done in many ways, including the use of computers to check the stock of spare parts, as well as to organize the maintenance tasks pertaining to aircraft equipment.

Maintenance in the Air Force depends on integrated pipelines and supplemental repair shops, because it covers all types of aircraft. In addition, workshops have

been established to repair and maintain missiles. This ensures full technical support for these aircraft. Their maintenance is carefully monitored which, as a consequence, enhances their combat capabilities for the Air Force.

In-flight Refueling Aircraft

[al-Shadhli] Have in-flight refueling aircraft been put into service?

[Nasr] The Air Force is concerned with increasing the range of our aircraft, especially the multipurpose aircraft. This is done through the use of air-to-air refueling aircraft. In fact, at the present time, a contract is being worked out to provide this capability for all American and French models, such as the F-16 and the Mirage 2000. We expect this capability in the near future, especially since some of our pilots have been trained to refuel in air, through joint training.

[al-Shadhli] What is the status of the second Mirage 2000 deal, particularly after the announcement that the financing problem has been resolved? What is new with regard to new F-16 deals, in order to bolster the air formations? Has Egypt been able to add new developments to the F-16 that will increase its combat efficiency?

[Nasr] When the first contract for the Mirage 2000's was signed, it called for our obtaining 20 aircraft and for building a maintenance and repair center for 40 aircraft. This has in fact been done, and a supplemental contract has been signed to obtain 20 additional aircraft. The arrangement of means of financing is currently underway. As regards the new F-16 deals, a contract has been concluded for a fourth batch. Development continues with regard to enhancing this aircraft's capability, by adding advanced air-to-air missiles and Egyptian-made parachute time-lapse bombs. In general, development continues with regard to all types of aircraft, in order to increase their specific capabilities and efficiency.

Air Reconnaissance Aircraft

[al-Shadhli] Regarding pilotless air reconnaissance and photography aircraft, when will they begin service in the Air Force?

[Nasr] The process of decisionmaking and meeting various possibilities in battle depends, in the first place, on precise and confirmed information about the various threat sources in a limited time. One of the most modern ways in the military arsenal to do this is to obtain this information through unmanned drones, equipped with the most modern cameras and sensors. The Egyptian Air Force has kept up with this development, and has obtained different types of these drones, both small and medium, in order to cover all eventualities. These aircraft have in fact entered Egyptian armed forces' service, and have given a new dimension to our air reconnaissance capabilities for nearly a year.

Earth Satellites

[al-Shadhli] Regarding the war of earth satellites that recently appeared, does this mean dispensing with certain air weapons in the future, particularly reconnaissance and early warning aircraft?

[Nasr] We cannot diminish the vital role that earth satellites play in modern warfare, both in the field of air reconnaissance and early warning, but possession of early warning satellites especially is always associated with integrated organizations created basically to defend against ballistic missiles. This allows an appropriate warning period for the means of strategic defense to intervene before the missiles reach their targets. This is—to a considerable degree—modern, advanced technology, and only the great powers possess it. This requires a group of early warning satellites on high orbits, connected with earth stations and an integrated command and control system that controls the antiballistic missiles.

Traditional reconnaissance survey satellites, which utilize low orbits, have become available to a group of countries that use them for civilian or military purposes. However, these countries have not abandoned the use of traditional air reconnaissance methods, either through modern aircraft or pilotless drones, which can obtain more precise and detailed information with a high degree of efficiency, and which cannot be dispensed with in modern warfare. Therefore, even the big powers have not discontinued production, development, and use of traditional reconnaissance and early warning aircraft, especially after the development of guided space weapons which, to a considerable extent, can affect the capability of reconnaissance and early warning satellites.

Biographical Data

Maj. Gen. Ahmad Nasr, the new Air Force commander, was born in March 1934, and graduated from the Air College in February 1956. Since his graduation, he has been a fighter pilot, and has held various command posts, leading to his assuming command of the Egyptian Air Force. He began by commanding a fighter squadron, and then an air wing in the October 1973 War. He then commanded certain fighter bases, and occupied command posts in the fields of training, inspection, and air operations. He assumed the post of air chief of staff in April 1987. He has completed courses in air reconnaissance, brigade command, and staff officer command. He has also been air attache in Tehran, and has participated in every Air Force battle from 1956 to 1973.

IRAQ

Funds To Be Allocated To Promote Private Industry

90SP40049A London AL-HAWADITH
in Arabic 25 May 90 p 39

[Excerpt] Among the important resolutions that have caused great relief in the service (al-sha'bi) and industrial

sectors in Iraq is the resolution made recently by the Economic Council of the Office of the President to allocate \$14.5 million to promote the private industrial sector.

The resolution was made in accordance with directives from President Saddam Husayn and is aimed at providing what is necessary for increasing production in private industry in order to secure commodities needed by Iraqi citizens.

The resolution was presented for implementation and the Ministries of Finance and Trade, the Ministry of Industry and Military Industries, and the Central Bank were instructed to take the measures necessary for its implementation. [passage omitted]

ISRAEL

Peres Accused of Multiple Fiascos

90AE0061F Tel Aviv HA'ARETZ in Hebrew
27 Apr 90 p B1

[Article by Avraham Tal]

[Text] "Am I to blame because two persons signed an agreement and changed their minds at the last minute," complained Shim'on Peres after the cancellation of the Knesset meeting in which he was supposed to present the 61st government. Peres stated the day before yesterday that Rabbi Shakh and the Lubavitcher Rabbi were to blame. However, whoever wants to make accounts with Peres based on two communal workers who betrayed him—on two rabbis who caused his disappointment—would be dealing with pettiness. The indictment against Peres contains at least seven paragraphs.

1. Shim'on Peres is accused of breaking up the national unity government without having reasonable grounds to assume that he would be able to establish an alternate government with a reasonable chance of survival. Nor did he have a reason to assume that he would at least be able to compel the Likud to compete in elections. True, some of his rash advisors surrounded him with lies and worthless advice. Nevertheless, Peres is neither a political novice nor blind. He should have closely examined the persons on whose caprice he is dependent, for better or worse, and he should have formed his own sober appraisal of the situation. Those less experienced than him did not believe that the establishment and survival of a narrow government headed by him were possible.

2. Shim'on Peres is accused of attempting to establish a government under his leadership that—had it been established at the last moment by dint of a returning desertion and a reinforced bribe—would not have obtained its declared primary objective, namely, action to move toward peace based on the foundation lines sketched by Peres. This would have been a government that rests on narrow margins composed of extortionists

and hawks—in short, the government of a dejected Sharir. Moda'i, Grover, and Sharir are capable of selling themselves in exchange for two tenures. Mizrahi would sell himself for favors to house the Yemenites, and Verdiger would submit to the order of the Council of Torah Sages. However, when put to the test, they cannot be trusted to support negotiations with PLO emissaries. Nor can they be trusted to support a step toward agreement to a territorial concession. Peres' peace government was doomed to failure from the start.

3. Shim'on Peres is accused, since the establishment of the national unity government, especially in its last months before its dissolution, of having systematically undermined the foundations of this government, in the best case, by incorrectly appraising the order of national priorities, and in the worst case, by giving vent to personal ambition. Peace is very important, but the absorption of immigration based on renewed growth is more urgent. Peace has waited for many years, and a slowdown (even a temporary freeze) of the peace process in the spring of 1990 owing to difficulties in the national unity government is not a historical error. By contrast, a failure to absorb immigration would be endless trouble. The deputy and alternate prime minister, Shim'on Peres, in his tireless campaign to bring down the government, gave supreme urgency to political negotiations, but neglected his duty as finance minister which was to prepare the economy and society for the most important national event since the 1950s.

4. Shim'on Peres is charged with using crooked methods to establish a government under his leadership and prostituting Israeli politics. Especially serious is the personal bribing of politicians who are frustrated, steeped in hatred, and bent on revenge, and whose opinions contradict the platform of the government that was supposed to have been established. By committing this act, Peres crystallized and consecrated defective norms whose special significance is obvious owing to his senior position and that of his party.

5. Shim'on Peres is charged with sneering at the public's calls of anger and frustration over the corruption of the political system, and with mockingly rejecting calls to consider changes in the system of government and elections. He did so out of the conviction that trampling on the dirty heap of Israeli politics in its current composition would advance him more efficiently and quickly toward his longed for goal: a government under his leadership.

6. Shim'on Peres is charged with severely damaging the image of his party by reinforcing the impression that the Labor Party is an opportunistic, corrupt party that uses any means to bring its senior members to the longed for goal, namely, the leadership of the government. If proof were lacking of the party leadership's defective conscience, evidence is provided by its scheming, evasive response to the High Court of Justice regarding disclosure of agreements with its coalition partners.

7. Shim'on Peres is accused of apparently bringing about, through his actions, the establishment of a nationalist-clerical government, a better alternative to the national unity government only in the eyes of those who think that the worse things get, the better they are.

The lodging of this indictment against a politician in any other modern state would result in sentencing that politician to a political desert. However, in terms of our insane reality, everything is forgotten and put out of mind. And Shim'on Peres, like the legendary Phoenix, will shake himself free of the ruins and lead his party to the next defeat.

Defense Ministry Official Assesses Security Threats

90AE0061H Tel Aviv YEDI'OT AHARONOT
in Hebrew 29 Apr 90 pp 3-5

[Interview with David 'Ivri, director-general of the Defense Ministry, by Ron Ben-Yishay; date and place not specified]

[Excerpt] [Passage omitted] Journalist Amir Oren called him chief of staff of the Defense Ministry. Anyone who frequents the inner recesses of the security establishment knows that David 'Ivri indeed has more power and influence over the system than most of his predecessors, except, perhaps, Shim'on Peres. As a former Air Force commander, deputy chief of general staff, and chairman of the aviation industry's board of directors after leaving the military, 'Ivri fulfills the requirements of the model director-general that David Ben-Gurion cast in his day, namely a civilian who serves as a counterweight to, and tempers the demands of, the chief of general staff and the major generals of the general staff.

The strongest, first impression you have of him is one of mental calm and an outwardly business-like approach toward the subjects he deals with. Later, you discern, under the calm exterior and introversion of David 'Ivri, a compressed spring. Something is gushing out that only a steel band of self-discipline is restraining and preventing from bursting on the field.

His rivals in the branches of the general staff are well aware that the veteran combat pilot excels in the ability to carry out surprise maneuvers in the seam between the military system and the political echelons. Some of them say that 'Ivri is a manipulator with a large ego and ambition, but no one has managed yet to prove that there is an outside motive for his actions. He enjoys the credibility and confidence of politicians of both camps, mainly on account of his varied defense experience and his tendency to act behind the scenes, at a distance from the media. Arik Sharon wanted him to be his director-general when Sharon was defense minister, but 'Ivri must answer to Yitzhaq Rabin. It is not difficult to understand why. The personal style and world view of the person who ordered the destruction of the Iraqi reactor are astoundingly similar to those of Rabin—and also to those of Yitzhaq Shamir.

[Ben-Yishay] David 'Ivri, you are in charge of the Defense Ministry's foreign relations and strategic cooperation with the United States. Our current government is not so comfortable regarding the United States, and there is talk of a cut in aid to Israel. Do you believe that a cut will occur soon?

['Ivri] I tell them that this is not the time for a cut from a security-strategic standpoint. Our situation is unlike that of Europe. However, I know that the call to cut aid to us was not made because there was less sympathy for us, but because of their own needs and pressures.

[Ben-Yishay] If American aid to Israel is cut, not by much, let us say by 10-15 percent, how serious will the blow be?

['Ivri] In my opinion, this would be a very heavy blow. We are committed for years in most deals. Certain margins remain, which actually amount to 10 or 15 percent of the American aid budget, and they can be used flexibly to purchase items that are needed immediately. If there is a cut, we would be able to pay only our previous obligations and no more. This would mean less employment for industries in Israel because a portion of U.S. aid is converted into shekels used for procurement in Israel. There would again be dismissals and the same painful phenomenon that industry has undergone in recent years.

[Ben-Yishay] There is talk of strategic cooperation with the United States. What does this include aside from biannual meetings between delegations?

['Ivri] We have made a commitment not to talk about this cooperation in public which is why it is succeeding. Strategic cooperation is intended primarily to establish a well-oiled machine of coordination that is at the disposal of the political echelons. They need only to make a decision and the execution will be quick and smooth. For this purpose, it is necessary to perform exercises and to prepare procedures and coordination in advance. Dialogue essentially results in an exchange of ideas regarding all kinds of matters, including situation appraisals, what is happening in the Middle East...

[Ben-Yishay] Regarding Iraq?

['Ivri] Certainly in terms of Iraqi issues, also about Europe. Each party transmits to the other matters of concern to it. In this way, there are fewer surprises between the partners. There is a greater personal commitment between the parties not to surprise one another, nor to take actions that are not coordinated or contrary to policy.

[Ben-Yishay] Does not the East-West thaw undermine Israel's status as a strategic asset of the United States?

['Ivri] Whoever seeks to undermine would use this pretext. Whoever does not seek to undermine has sufficient arguments why not to undermine. The Americans know that it is necessary to be prepared for low-intensity conflicts lesser than a world war. Cooperation between

us and the United States was not created for a global war situation. It is intended for these small, local conflicts.

If the United States wishes to be involved in some place in the region, it can do so more easily if it has some foothold or support in our area as well.

[Ben-Yishay] What is your attitude toward the recent disclosures of the strengthening of Iraq and other Arab states surrounding us? Do you believe that this perhaps requires a different force structure deployment on our part, or perhaps greater emphasis in preparing the rear to absorb a blow?

[Ivri] I think that the general staff is dealing and coping with the problem. I do not know whether sufficient attention was devoted to this subject five or seven years ago. At present, proper attention is certainly being devoted to the Iraqi issue in general, and to ground-to-ground missiles and chemical weapons in particular.

[Ben-Yishay] Which changes do you see at present in Israel's strategic position compared to two years ago at the end of the Iran-Iraq war?

[Ivri] The strategic position is such that, from an international standpoint, economics is receiving greater priority than security in the West and the East. I think that this is also the trend among Israeli economists.

In a certain sense, the current situation is more difficult for the state of Israel because of ground-to-ground missiles and chemical weapons. Are we, as a state or people, ready for this challenge? Can we cope with it? In my opinion, no, not politically-strategically, and not as an army.

Let us assume that an analysis revealed that ground-to-ground missiles were not so accurate, and that statistics indicated that casualties would be fewer if prior warning were received. The problem is not whether 100 or 200 persons are injured in Tel Aviv. The question is what would happen afterwards? Let us assume that our response were successful, and that the outcome represented heavy losses on their part. The question is, how would the Jews in Israel relate to the attack itself and its results, even if the results were limited?

[Ben-Yishay] In other words, how would the people of Israel be affected psychologically and in terms of morale?

[Ivri] When it comes to psychology, issues are out of proportion in Israel. This is a top-ranking national issue. It has new strategic aspects. For example, how would the war be perceived? It would not necessarily have to be a total war. During 1950s, we always talked about whether or not to go to Damascus, Cairo, or Amman. No longer is there such talk. We reached Beirut. So what? Israel's strategic situation is not always influenced by whether or not it has another two divisions that can reach a certain place. Because, even if you reach a very distant locale with two divisions and win the war militarily, but, then, several missiles hit Tel Aviv; the state of Israel would not be the same state psychologically nor in terms of morale.

[Ben-Yishay] Can something be done to eliminate the danger of war or to neutralize its dangers?

[Ivri] An argument going around in the United States, and actually throughout the world, maintains that the chances of large wars breaking out are small under the current circumstances, while those of small wars breaking out are greater. Local conflicts are supplanting all-out wars.

[Ben-Yishay] For example?

[Ivri] For example, the intifadah. You can call this a non-war war. In Lebanon as well, there is a non-war war situation between Christians, Druze and Shi'ites. This is also the case between the Greeks and the Turks, the Irish and the British, and so on. There is almost no place in the world devoid of small conflicts.

Do such conflicts always cause an all-out war? In the past, we always feared that a small conflict might drag us into an all-out war. At present, more conflicts are not leading to all-out wars. I would say that if we have two years without an all-out war, the chances of an all-out war in the next five years are small.

[Ben-Yishay] Do you believe that the Iraqi cannon can fire and endanger us?

[Ivri] The answer is affirmative, according to what I read in the data.

[Ben-Yishay] Do you accept the defense concept that the defense system currently accepts?

[Ivri] Israel aspires to peace. In order to obtain peace under the existing circumstances, we must have a deterrent ability. If we have yet to obtain peace, and our deterrent ability is insufficient, we must have an offensive capability that will enable us to move the war into the enemy's territory. This is the strategic defense concept with which I am familiar, and I find it acceptable.

[Ben-Yishay] It is no secret that you have differences of opinion with the Chief of General Staff, Dan Shomron, and with the current Air Force commander. What is the source of these differences of opinion?

[Ivri] I know that it is convenient to say differences of opinion. However, it is actually a difference of authority and responsibility in the area of training and the development of future weapons systems. I am not willing to have someone enter my area of authority. I view my responsibilities and authority as one package. If someone attempts to enter the area of training, something not in his purview, and leaves me the responsibility, I am unwilling to accept this.

[Ben-Yishay] What do you mean?

[Ivri] Sometimes, the IDF [Israel Defense Forces] attempts to enter into matters which should not concern it, such as training, negotiations with companies, or negotiations with the agents of foreign companies. I do

not agree with this. I will not tell the IDF what it needs, nor what, and how much it should purchase. However, after it determines its needs, I will decide what is to be purchased, from whom, and how we should formulate the contract. I try to work according to the basics, and authority and responsibility are of great importance to me. I will not interfere in the jurisdiction of another person. However, I will not allow anyone to infringe on my jurisdiction.

[Ben-Yishay] Are you satisfied with the IDF's current general staff?

[Ivri] That is not a fair question to ask me.

[Ben-Yishay] At least try to respond diplomatically.

[Ivri] If something troubles me, it is the extent in the Army which appears too willing to view matters from a national viewpoint. In my opinion, slogans that are customary in the Army, such as "maximum defense per dollar," are dangerous and exemplify too narrow a view.

They say, if I can buy something with dollars in the United States that is slightly cheaper than what I can buy here in Israel, I will buy it in the United States. This is tantamount to saying: I do not care whether or not a development town has employment, there is a limit to how much I can give to the development towns. However, for me, security also means employment in Israel, that employment on the confrontation lines exists, and that people are able to make a living. If the state determines that development towns have a certain priority, I will turn to them, even if I have to pay 15 percent more. As far as I am concerned, security also means that youths discharged from the Army should at least have employment options.

What is security? I argue that security is a much broader concept than that which is customarily accepted. Hence, my difficulty with the general staff. Due to the cuts in the defense budget and real budgetary pressure, all issues I think are being viewed more in terms of money rather than principle and a long-range view.

This is what troubles me regarding the general staff. I am not bothered by the 'cliques' and other issues that have always existed and always will continue to exist. Social pressures and competition have always existed among the major generals. Sometimes, behavior is better, sometimes it is not as good, sometimes there are more journalists, sometimes fewer.

[Ben-Yishay] You are currently the director-general of the Defense Ministry, at a time when there is actually only an acting defense minister. In other words, there is no full-time minister. Has the ministry's functioning been damaged?

[Ivri] I feel that I have no problems. When I need to obtain approval or consult, the prime minister, who is the minister in charge, calls me immediately. It seems to me that he gives priority to defense. There has been no instance in which I have had to update him or obtain

approval for something when he did not immediately set up a meeting as well as the time required for the matter.

[Ben-Yishay] At the height of the current political crisis as well?

[Ivri] In recent weeks, I have met with him at least twice a week. The problem is whether I can currently bring up all the problems that I would bring up with a minister who works here all the time. Sometimes, I say: Just a moment, perhaps it is worthwhile for us to hold off on a decision because this situation is temporary. Only when we face a real need to make a decision do I bring the matter up with the incoming minister, or I go to the prime minister and say, listen, a decision has to be made now.

[Ben-Yishay] Are there cases in which you make a decision yourself, because of the current situation?

[Ivri] Within the purview of my mandate, I have made very many decisions which I also did when I was in the ministry. I will also endeavor to make decisions in the future because I do not think that it is the director-general's duty to run daily to the minister for decisions and endorsements. Rather, from time to time, I obtain from him confirmation that I am headed in the right direction.

Of course, there are cases that require basic approval which is sometimes political approval. In these cases the minister's decision is needed. Rabin gave me great backing, and I was careful to report to him frequently. Perhaps I now have less time to update, but I feel that I am working within the framework that was given to me; and within this framework, I currently feel that I can expedite matters just as quickly, as efficiently, and as well for everyone. I felt this with Rabin, and I think that the prime minister also understands that I am going in this direction. However, I have a much greater responsibility, which is to bring up matters in a timely fashion before they develop in unexpected directions.

[Ben-Yishay] What, for example, have you done in this regard recently?

[Ivri] It is necessary to keep a finger on the pulse of contacts with certain states, and, from time to time, to react to changing conditions. As long as I operate within the framework of a fixed policy according to which we approve defense exports or the transfer of defense knowledge, everything is fine. However, changes occur in the world. Such things are happening now, in recent weeks, throughout the world, in East Europe and elsewhere.

[Ben-Yishay] Do you set policy according to the state?

[Ivri] According to the state, according to technology when exporting is sought.

[Ben-Yishay] Can you give an example?

[Ivri] A simple example is provided by the United States. There are no limitations on defense exports to the

United States. However, there could be a certain weapons system that we would wish to maintain as a surprise, so we would not offer it even to the United States, a system from an area designated "top secret plus."

[Ben-Yishay] What was the value of the defense industry's total sales last year?

[Ivri] We do not have all the data from 1989, but the figure is something along the order of about \$1.5 billion in real sales, meaning sales in which we received money in exchange for goods. We have contracts valued at another \$1.6 billion. On the average, we have export orders for approximately two to three years.

[Ben-Yishay] Does it not frighten you that you actually control 30 percent of the budget of the state of Israel, and that you have a direct influence on how the Israeli economy looks and will look?

[Ivri] Frighten? No. I am sometimes concerned that I lack an allocation for vital things. I have already undergone more difficult experiences in life. As an Air Force commander, I made decisions that touched on human lives that were more difficult than budgetary decisions.

As director-general of the Defense Ministry, I do not decide whether to buy an air-to-air or an air-to-ground missile. The Army makes that decision. I execute the decision. If the Army determines that it wants an air-to-air missile, I make or buy the best air-to-air missile that I can obtain for it.

[Ben-Yishay] Your statement somewhat contradicts your image within the defense system. Someone called you the RAMANKAL [expansion unknown] of the civilian part of the defense system. Some argue that no director-general has had as much power and influence as you since Shim'on Peres's tenure as director-general of the Defense Ministry.

[Ivri] I do not feel this way. I deal only in the areas in which my authority and responsibilities have been defined. I certainly do not feel that I allow anyone to interfere in or disrupt these areas. For my part, I make an effort not to interfere in others' areas of authority and responsibility. Sometimes, I force myself not to interfere in subjects where I have a clear opinion, but which are not in my purview.

[Ben-Yishay] You did not behave with great restraint regarding the cessation of the Lavi aircraft project. You fought for it until the last moment.

[Ivri] That is a misrepresentation of matters. I analyzed the Lavi matter from a logical standpoint, and I explicitly told the political echelon that, in certain conditions, it was appropriate to end the project. But I also said that the conditions at the time were appropriate for continuing the project. I did not blindly support the project. When it was decided that it had to be ended, I conducted the operation in the best manner possible despite the pain it caused.

[Ben-Yishay] If it were now possible to renew the Lavi—let us say under a different political constellation—would you recommend resuming the project?

[Ivri] I would not recommend renewal.

[Ben-Yishay] Something similar to the Lavi?

[Ivri] At present, I would not at all recommend moving toward an Israeli-developed and manufactured fighter plane.

[Ben-Yishay] Why not?

[Ivri] Because of a world view and because of the budget. I did not recommend the first Lavi in 1980. My recommendation was an improved Kfir. The defense minister decided to go with the Lavi, but not because of my recommendation.

[Ben-Yishay] But Begin's decision as acting defense minister to develop a large Lavi instead of a small, inexpensive, restored plane, as 'Ezer Weitzman defined it, is attributed to your influence.

[Ivri] That is a distortion of the facts. As commander of the Air Force, I was asked to choose between two engines, and I naturally chose the more powerful engine, which was, by the way, only a little larger than the original engine planned for the Lavi.

[Ben-Yishay] And after you complete your tenure as director-general?

[Ivri] I am definitely thinking about management in industry as a reasonable option. In any case, I will not become involved in politics.

[Ben-Yishay] Why not?

[Ivri] Because I would not be able to express myself and feel comfortable in this area. I need to actually see accomplishments. When you finish something and set in motion, you want to see results in the field. In this way, I can be at one with myself. I do not feel that I could attain this in politics which is not say that all sorts of accomplishments are not possible in politics. However, it is difficult to tangibly grasp political accomplishments. Thus, I do not feel that politics is my field. Nor do I feel that I am able to contend with what is done in the political arena. However, I feel at home in industrial management and organization.

[Ben-Yishay] Yes, but politicians make the decisions that ultimately determine the fate of us all.

[Ivri] Look, I am not so modest that I would immediately say no if I was offered the post of minister. I think that after thinking about it I would say no.

[Ben-Yishay] Why?

[Ivri] Because I feel that each person must contribute in the field where he has a relative advantage and is best suited. Our problem is that not all those suited to be

politicians have entered politics, and not all those suited to industry have entered industry. I am not sure that I would currently know who is or is not a good politician, but I would not want to be a dysfunctional or bad politician when I can do other things better. For that reason, I did not pursue the chief of general staff post. [passage omitted]

Shamir Described as Worst Political Alternative

90AE0071D Tel Aviv HA'ARETZ in Hebrew
4 May 90 p 1b

[Article by A. Schweitzer]

[Text] "The new government will conduct a close dialogue with the United States in order to arrive at an understanding to advance the peace process," announced Avi Pozner, the confidante and spokesman of Prime Minister Yitzhak Shamir, on Wednesday. Upon hearing these words, it is possible that Messrs. Bush and Baker would gladly change places with Minister Yitzhak Moda'i. The latter has found an efficient method, a financial guarantee and/or the collective signature of all the ministers of the Likud, in order to guarantee that Shamir will keep his word.

The news editors of the morning and evening newspapers rushed in recent days to announce to their readers that the United States is willing to "forgive and forget" that the Israeli prime minister tricked their president, and to turn a new leaf in relations with him. This optimism is based upon a selective examination of the testimony of Secretary of State James Baker before the Senate Foreign Relations Committee. According to the testimony of witnesses who are well acquainted with the American political arena, there is no basis for such optimism: the Administration believes Shamir only when he promises that he will not do what he says.

The prime minister said of himself recently that he, unlike Foreign Minister Arens, is not worried. But he would change his tune were he to understand the significance of what is going on around him. The world does not behave like tiny parties in coalition negotiations, in which he who forms the government has a special status. In this world, Israel has a status that is diminishing, as it were, from day to day. One of the reasons for this is the tendency of the Americans, Israel's patron, to withdraw from the region. If there is, indeed, such a tendency, it is doubtful whether Israel has the power by itself to stop it by displaying one behavior versus another. But it can try to delay this development with behavior that makes it easier for those Americans who are displeased by that withdrawal. Shamir and Co. are doing the opposite by dismissing the warnings of Israel's friends, and by acting as if they had the United States in their pocket.

If Shamir understood what was going on around him, he would be worried by the moves of the heads of the Arab states to rebuild their coalition. In view of what is crystallizing among the neighbors, he would try to get closer to the United States rather than being harsh

with its leaders and its public opinion. Egyptian President Husni Mubarak was able in recent days to present himself as the confidante of the Americans and the realizer of their Middle Eastern policy, while Shamir can only revel in the ebbing strategic partnership against the Soviet Union. With what and how will Israel balance the tightening Arab cooperation, since Shamir's leadership is becoming a regional leper?

Perhaps Israel should not seek to be a beacon to other nations: The role is too big for it. But it cannot stand alone: Whoever actively scorns the United States, its advice and its desires, should have a conception about who and what can serve as a substitute for the American connection. Let us assume that it is possible: Who is Shamir's substitute for the United States? Western Europe which is siding more and more with the Arab side in the conflict? Or the U.S.S.R. which is being strangled under the burden of its internal problems? A few weeks ago, at a meeting of the Likud central committee, with Ari'el Sharon on his right and David Levy on his left, Shamir admitted that he does not sleep at night because he is worried by the dangers that threaten Israel. But those are empty words. His reply to the developing Arab coalition, and to the other problems at Israel's door (immigration, economic stagnation, etc.) is the worsening of relations with the United States by provoking not only its president, but also many in its political system, and, yet, not having a reliable substitute for the American ally/patron.

We should free ourselves as soon as possible from the notion that Shamir is the lesser evil. Following the damage he has already inflicted on Israel's international status, and following the serious impairment in relations of vital importance with the United States, Shamir is the worst of all the prime ministers that Israel has had since it was established in 1948. And it is not as though he has offset the damage in foreign affairs in the internal sphere. He is indifferent to the problems that torment Israeli society, from the brutalization that is spreading everywhere, to the economic crisis underway. And were the Likud any better than he who stands at the head of it, it would remove him before he ruins everything around him.

Minister Moda'i Profiled

90AE0061G Tel Aviv YEDI'OT AHARONOT
(Supplement) in Hebrew 27 Apr 90 pp 15, 16

[Article by Orna Qadosh]

[Text] Whenever stories are heard in the Knesset cafeteria about the strange behavior of Minister Moda'i—his eccentric gestures and graphic verbal outbursts—Pinhas Goldstein defends him enthusiastically, to the extent that he has earned the nickname of "Moda'i's Sancho Panza [Don Quixote's squire]." About two weeks ago, at the end of negotiations with the Likud, Goldstein was heard saying for the first time: "Something about him is not quite right." Previously, he had seen Moda'i scream

wildly at the prime minister, and later sit in the parking lot alone in the darkness for more than two hours. No one understood why Moda'i chose to seclude himself in his car rather than go up to his office, located in the same building. Goldstein further attempted to convince Moda'i to return to the discussion but was barraged by a stream of shouts.

Almost breaking into tears, Goldstein said to the person who tried to calm him: "After so many years, I have no more to do with this friend of mine. Something about him is not right." Pesah Grover and Yosi Goldberg reached their limit with him even earlier. "He is impossible," they said in private conversations with Likud ministers, "he is intolerable and unpredictable; we will not go with him."

Such claims had already been made in the past. Simha Ehrlich said that "Moda'i is fit for a psychiatrist," and Yitzhaq Berman corrected that assessment by saying: "Sometimes Moda'i is sane." The whisperings intensified when Moda'i was finance minister. In recent weeks, after a period of relative quiet, Moda'i again became a hot topic of debate: Politicians, public personalities, senior officials, and journalists have been circulating juicy stories stemming from the negotiations among themselves, and there is no shortage of stories.

One morning, for example, Moda'i unbuttoned his shirt and revealed a large scar on his chest in the shape of a zipper from a previous heart operation. "Do you see this?" he screamed at members of the Likud, "do you see? It is not Peres who did this to me. I did not get this from Peres." Arye Golan, a radio correspondent who reported the incident, added that those present were thunderstruck.

Moda'i refused to be interviewed for this story. In an earlier conversation, he claimed that the stories about him are "malicious gossip circulated by persons who wish to assassinate my character and who are incapable of facing me in a business-like manner." Moreover, he said that his apparent angry outbursts are only a tactic, each one of which is planned in advance, as evidenced by the fact that he always ultimately obtains his goal.

More than a few politicians believe that there is a system here, especially those who want to be finance minister. But Moda'i has again snatched the post from them, as he did in 1984 when he went to Peres at the height of discussions on the establishment of a national unity government. At the time, the possibility of a group of Liberals joining a narrow Labor government was being contemplated. Shamir heard this and became frightened. Moda'i received the promise of the post of finance minister.

However, it is not always easy to understand the goals of his outburst tactics, especially when directed against innocent citizens. When he was energy minister for example, employees at the ministry surprised him with a birthday party. They brought flowers, baked cakes, and decorated the office. Moda'i entered and asked "what is

this?" The expression on his face did not augur well. "Happy birthday," they answered stammeringly. Moda'i became enraged: "Everyone, back to work. My birthday is my private affair." He entered his office and slammed the door.

On another occasion he invested tremendous energy in trivial matters. The owners and holding company of the Gan-Ha'ir residential high-rise project curse the day they sold Moda'i and his wife a 205 square-meter apartment on the fourth floor. Moda'i had barely entered the building when he requested to see the blueprints. He discovered that the lobby had been situated at the entrance to the building instead of on the bottom floor, and he submitted a complaint about the matter to the municipality. Afterwards, he caused an uproar because the area set aside for residents to park their cars was not big enough. Never mind that he, as a government minister, is among the few that has a double parking space. He later requested to see all of the building maintenance accounts. Even after checking them, they seemed too high to him.

At a certain stage, he announced: "I am not paying. If you want, sue me." The amount in question was \$300 per month. However, the owners of the company, fearing a scandal, are still trying to persuade Moda'i to do so. About 2 weeks ago, in the middle of the political fracas, he found time to run in elections for the building committee and came in fifth place.

Incidentally: How did they know in the Labor Alignment (or thought that they knew) that Moda'i's intention to switch sides was serious? By chance, one of Moda'i's neighbors heard the Moda'i couple arguing loudly over the most worthwhile course to pursue. Yitzhaq explained to Mikhal that there was nothing wrong with going with the Labor Alignment. The neighbor told the story to another neighbor who told Peres. It did not bother Moda'i to have all of the Labor ministers waiting for him at the Lavon Institute, the secret rendezvous for the discussions, although he never appeared there himself. Yitzhaq Rabin, who waited for him for two hours, left in a mood which revealed to Moda'i everything he thought of him.

The most widespread description of Moda'i is "unpredictable." He differs from Sharir, for example, who would go to whoever gives him the most. Moda'i can easily blow a good deal because it is not in keeping with his self-image, or simply out of caprice. His most mystifying actions surprise no one. It is said that he is abnormal, living in his own closed world which has its own internal logic. Like a child, he perceives himself as naturally central and explodes in anger when matters do not go his way. In one of the negotiating meetings, he made a statement that indicates something about his way of thinking: "The attorney general did not tell me that a guarantee is illegal. He said that it stinks. This does not concern me. Let it stink."

If the shouts are just a tactic, Moda'i is an outstanding actor. On such occasions, he manages to become pale, allows tears to flow, swings his fists, and makes a lot of noise so that those listening to him fear for his health. Most prefer not to respond to him, lest they inflame his anger. During the weeks spent rattling the Likud ministers, he had many such outbursts. They left the negotiations on all fours. Each day, they reached another agreement with Grover, Goldberg, and Goldstein, who, having maintained telephone contact with Moda'i, said that matters were acceptable to him.

Suddenly, several hours later, Moda'i would announce that no one should speak in his name, and that everything which had been agreed upon was unacceptable to him. Twice, the ministers despaired and let him go. Suddenly, a new draft agreement would arrive on the facsimile machine at the prime minister's office. When they agreed, he changed his mind. The Likud ministers experienced it all, including the famous story about how he sent them in the middle of the night to search for a document in Moshe Nisim's safe. At 3:00 a.m., after managing to open the safe, Moda'i said: "It's not important. I believe you." Much before then, Minister Ehud Olmert loudly remarked that he attended the theater regularly, but this was the first time he had participated in a farce as an actor.

Once, Moda'i got a taste of his own medicine. Shamir, a nervous man himself, waved his clenched fists in front of him. This was two weeks ago. Shamir was a little late to a meeting. When he arrived, he found Moda'i pacing back and forth between the lavatory and the bureau, circling nervously and screaming to his people: "I told you that I did not need to come. I am leaving. No one is here. They are bastards, swindlers, and liars. The bastards, who do they think they are." Pesah Grover and his son, Doron, grabbed Moda'i by force, and sat him in his chair so he would not flee.

Shamir entered and sat next to Moda'i. "Hello Yitzhaq, how are you?" he asked. Moda'i answered him, shouting: "Where are the Likud ministers?"

Shamir asked: "Do you want to conduct negotiations with 12 people?"

Moda'i continued to scream: "How can we sign an agreement if the Likud ministers are not present? They were not informed at all. David Levi told me that he knew nothing of the meeting. You deceived me, and Ariq did not know. How could they come, how will they sign?"

Shamir told him: "What are you screaming about? If there is an agreement, I will summon them. Let us sit down and move forward."

"No," Moda'i continued, "I am not willing. You are deceiving me. You are liars."

Moda'i's tone caused Shamir to jump. Shamir rose to his feet and began returning the shouts: "Stop your provocations. You are only trying to provoke us. Do not scream and do not raise your voice. If you are not pleased, you can leave. Do not threaten me."

Persons close to both parties, who had worked for almost a week to convene this summit meeting, looked on with sorrow as Shamir and Moda'i each went ashen-faced to his office.

What will happen when Moda'i returns to the Finance Ministry according to the agreement signed by all of the Likud ministers and approved a week ago in the Likud convention? This is the important question. In the year and a half that he served as finance minister, in 1985 and 1986, he had a number of misfortunes come his way, but he still had Peres to protect him. Overnight, he increased the price of frozen chicken, and the next day retracted the measure claiming that finance officials had misled him. On another occasion, he hesitated in public regarding whether to increase duties on imported appliances, or only on cars and video equipment. He decided to update tax brackets in October 1985, but later backtracked. He imposed a value added tax and backtracked. One Thursday, he decided, with the participation of all concerned parties, on price increases that were to go into effect on Saturday night, but he forgot to inform finance ministry officials of the increases until Friday afternoon.

This was the period of the long, night-time meetings at the start of the economic stabilization plan. Moda'i dozed most of the time. Only when Peres, Qaysar, Haberfeld, Sharon, Moshvitz, and Hurvitz finished summarizing all of the details did Moda'i awake, saying: "Just a moment, I do not agree with a single word." 'Imanu'el Sharon, the director-general of the Finance Ministry at the time, described what happened at these discussions as a "circus." To Moda'i's credit, his arguments were pertinent at the time, and by dint of flashes of this type, he is considered a genius here and there.

Very quickly, economic reporters lost trust in him. It is customary for the finance minister to lie regarding sensitive matters such as a devaluation. But Moda'i would issue statements to the press, and then deny those same statements after their publication. The list of examples is long. In his year and a half tenure, Moda'i managed to become embroiled with senior officials in the ministry. It reached a point where ministerial employees preferred to correspond with him to prevent being in a situation where he would yell at them after carrying out his orders.

No detail in Moda'i's honest appearance conveys his unusual areas of interest. Astrology, for example, fascinates him. The official explanation is that everything is coincidental. Miryam Benyamini is a friend of his secretary or something like that. Moda'i has tried Chinese acupuncture to relieve his migraine headaches, and he has gone to Jewish mystics to confer about political

developments. For years, his rabbi was the Admor [title of Hasidic rabbi] of Qartshenef.

People that know him from close up describe two Moda'i's. One is brilliant, sharp-witted, cordial, very charming, a highly capable executive, and a joy to meet and work with. Moda'i's other side, which he is capable of revealing within seconds, is one of rudeness that reviles and belittles persons in his presence, usually his employees including the most senior. For example, more than once, in Finance Ministry forums, Moda'i would scream at Aharon Pogel, in charge of state revenues: "Quiet. You will speak only when I tell you to do so." The Economy Ministry has very few employees, but in the course of a year and a half, five secretaries in his office were replaced. They find it difficult to endure more than 3 months.

His other self sometimes is brimming with self-confidence—one could even call it mild euphoria. For example, in the constraints convention, [where constraints were imposed on the peace process], he suggested to Shamir, the "dwarf," that the latter not enter into their, "the giants," line of fire, because he would be committing "suicide." In such moments, Moda'i has stated, here and there, his intentions of becoming prime minister. He once disclosed to Avraham Sharir an even more secret dream: To be the sole ruler.

Or, he becomes ashen-faced, confused, asking for mercy for his soul in confused monologues, taking sedatives, and telling his friends: "You are killing me." The terminology that he uses in such cases is strange in itself: "I feel as though I am being crucified on the cross; this is murder in cold blood; you are eating me alive; you are sucking my blood; you should never feel this isolation; I am silent." Silence is a recurring motif: "The day will come, and I will speak; I have documents." No one knows what he means.

He also made such comments to reporters more than once. One evening, for example, Grover, Goldberg, and Goldstein of the dissident faction went to the Economy Ministry in Tel Aviv for another meeting with Moda'i. Photographers besieged his door. Moda'i was in a difficult mood. He opened the door a crack, peered from behind it, and began to speak quickly repeating the same phrase over and over: "Go away, leave me alone, you are spilling my blood, I am not your ballerina, go away." Ten minutes later, his mood changed. "I am going to the lavatory," he said laughing to journalist Menahem Shizaf, "I will be there at least a half hour. Do you want to come with me?"

Moda'i is absolutely amazed about the controversy caused by his innocent remarks. For example, he did not understand what was humorous about his "90 percent is qualifications" remark, or his statement that he could be a professional minister with Shim'on Peres. He did not understand why the government ministers smiled when, during the television strike, he said that his mother was suffering from isolation, and that he was going to hire a

caretaker for her and would demand a return of the expenditure from the broadcast authority. Every other minister would speak about the "distress of the elderly during the strike," or some such thing. Moda'i spoke about his mother. Thirty years in politics, and he has yet to learn how to formulate the cliches that are accepted in this milieu.

Twenty-five years before he lost the Finance Ministry because he said that "Peres is a flying prime minister," he lost the organizing committee of the liberals for a similar reason. This was a week after he entered politics. The young lieutenant colonel (reserves), with a black moustache then, brought up a proposal in one of the meetings that was not accepted. Moda'i stood up, looked at Yosef Sapir, Yosef Serlin, and Peretz Bernstein, dinosaurs all of them, and shouted "you are all nothings." He then slammed the door behind him.

Officers Said Pressured To Promote Settlements

90AE0061E Tel Aviv HA'ARETZ in Hebrew
27 Apr 90 p A3

[Article by Re'uven Pedahzur]

[Text] Officers in the IDF [Israeli Defense Forces] have recently expressed dissatisfaction with pressures being exerted on them by Mikha'el Deqel, the prime minister's advisor for settlement affairs. The officers claim that Deqel is requiring them to quickly carry out operations in the area of settlement and to move ahead on the promotion of settlement issues which was not permitted during the tenure of former Defense Minister Yitzhaq Rabin.

Military elements said that, on the eve of Passover, Deqel contacted several officers and asked them to supply him, on that same day, with the IDF's position on the establishment of the settlement of Elon which is next to Qfar Adumim. After checking, the officers replied to Deqel that it was impossible to supply the Army's position within such a short time.

The same elements claim that officers involved in the settlement issue are attempting to delay, by means of bureaucratic processes, settlement activity that Deqel is initiating. The officers are attempting to postpone, as much as possible, decisions related to settlement activity, although they know that it is impossible to prevent Deqel from taking action in the territories, insofar as he is Yitzhaq Shamir's advisor and the acting defense minister.

When Rabin left the Defense Ministry, Deqel ordered the convocation of a discussion, headed by him, with senior IDF officers. Initially, the chief of general staff did not sanction the participation of the officers in the discussion. However, their participation was subsequently approved, and Deqel is currently providing direct leadership to IDF officers.

Deqel is also acting in direct opposition to the coordinator of activity in the territories, something he was prevented from doing as long as Yitzhaq Rabin was defense minister. The coordinator's office is demonstrating its dissatisfaction with Deqel's action and pressure, and is attempting to moderate his settlement demands and plans.

The person most adversely affected by Deqel's entry into the realm of settlement in the territories is Shim'on Shavas, assistant to the defense minister for settlement affairs. Shavas was brought to the Defense Ministry by Yitzhaq Rabin, and he also handles the former defense minister's political and party activity.

Deqel has in effect completely neutralized Shavas, having precluded him from dealing with any matter concerning settlement in the territories, and allowing him to deal only with settlement inside the green line.

In the security system and the IDF, it is estimated that Deqel intends to continue to expand his activity in the area of settlement in the territories. Dugit, Elon, Tel-Rumaydah, and Qever-Yosef [Joseph's Tomb] are only the beginning.

Mikha'el Deqel responded yesterday, saying that no pressure has been exerted on IDF officers, who, in sum, were requested to perform their duty.

"If someone wishes to drag out for two weeks what can be done in two days, there is no reason to permit him to do this. The officers do not have their own government, and they must perform their duty. It is even insulting to hear that someone is saying that pressure was exerted on him," stated Deqel.

Land Purchase Company Introduced

90AE0061A Tel Aviv YEDI'OT AHARONOT (Financial Supplement) in Hebrew 24 Apr 90 pp 1, 2

[Article by Gabi Baron]

[Text] In the Jerusalem telephone directory the following address appears next to the name of the Hemanuta' Company: 34 Hatayasim St. The telephone rings at noon, in the afternoon, and in the evening. There is no answer. We went there. In the building itself there was no sign nor indication of the company's name. However, there was one mail box there. More prominent than all the others, it had written on it the name of Lawyer Dan Avi-Yitzhaq. Dan Avi-Yitzhaq, what a surprising coincidence—he is the lawyer who represents the Panamanian SBC Company which claims ownership of the St. John Hostel in the Christian quarter in the old city. The secretary at Avi-Yitzhaq's office states that the building houses all kinds of tenants, and that only Avi-Yitzhaq can respond to questions about it. It is a coincidence, a Jewish National Fund [JNF] spokesman says soothingly.

Hemanuta' is the company through which the funds were transferred for the acquisition of the disputed St. John

Hostel (named for a church that once stood at the site) in the Christian quarter of the old city. The settlers have renamed the building "Ne'ot David."

Anyone seeking information on the activity of Hemanuta' from senior JNF officials encounters a key phrase: "Hemanuta' frequently functions as the trustee of government ministries or other bodies. It therefore does not customarily detail its activities. A trustee has to be trusted..."

Hemanuta' was founded in 1938 as a subsidiary company of the JNF. Its registered capital is 1,000 Israeli pounds (a currency no longer in existence and not legal tender) divided into 1,000 shares, each worth 1 Israeli pound. The company is headed by a five-member board of directors. When it was established, its objectives were specified as follows: "To purchase, lease, rent, or in another manner, acquire, maintain, manage, develop, divide into parcels, distribute, cultivate, improve, lease, rent, sell, exchange, mortgage, build on, or in another manner, execute, and in general deal with land, other rights, real property, moveable property, and any property or matter in Palestine."

Perhaps this word, "Palestine," meaning mandatory Israel, is what brought a smile to the face of Hemanuta's chairman who is also the deputy chairman of the JNF, Shlomo Aryav, when I ask him if the company's sphere of activity goes beyond the cease-fire borders. Indeed, when the district court approved, in a special decision on 28 February 1973, the wording of Hemanuta's registration in the Company Register, it was clear that "Palestine" was at the very heart of the matter.

As a discreet company, reflecting its Aramaic name, which means "trust," Hemanuta' has become a channel through which deals are made. On the basis of the above-mentioned obsolete definition which has the effect of expanding Hemanuta's domain to the territories of "Palestine," the company actually operates as a straw company of the state of Israel. Thousands of dunams have been, and are being, acquired through it in the territories. Several of the largest Jewish settlements have been established on this land, such as 'Ofra, Qedumim, Kfar-'Etziyon, and Elon-Shevut.

There is no willingness at Hemanuta' to talk about the St. John Hostel deal. Shlomo Aryav: "I did not know that Hemanuta' was involved in an additional deal of this type. And, certainly, not one penny of Hemanuta' funds were involved in this deal. We have acted as a trustee, and that is all that can be said."

However, Hemanuta', which in many cases is the trustee of property that stems from wills and estates, is also the trustee of property of the type found in the area of Silwan, which is the village of Hashiloa' on the slopes of the City of David in Jerusalem. It was there that the Palestine Jewish Colonization Association acquired parcels of land in the 1920s, on which Jewish immigrants from Yemen lived until the late 1930s. Arab residents are now settled there, "contrary to the law" according to

Hemanuta', and this area is only one of the areas surrounding and within the old city that are in the sights of the land redeemers.

Other small areas still exist in Jerusalem and inside the walls of the old city that no one is willing to discuss. Secrecy is the name of the game. Moreover, the price of a dunam of land inside the walls of the old city can sky-rocket if a building is also on it. The St. John Hostel deal, which totalled 9 million shekels in key money according to the Housing Ministry, provides an indication of the sums that are involved.

About 8 years ago, the Israel Land Administration undertook its last land acquisition inside the old city of Jerusalem. The amount paid for the acquisition-expropriation was high, but no one is willing to specify it. The seller was a member of the White Russian Church or, to be more precise, the representative of this church in the United States from where he manages extensive dealings regarding the church's property in the Holy Land. The land, a little more than 2 dunams, is now owned by the Israel Land Administration by dint of expropriation. It is located in the Migdal Hahasidut area and is vacant of tenants. Since that deal which was carried out in the utmost secrecy between Jerusalem and New York, the Israel Land Administration has not acquired additional areas inside the old city. All later deals, it appears, were carried out through the Housing Ministry, under the direct supervision of the director of the civil administration section in the Justice Ministry, Ms Pli'a Albaq.

"We are now active mainly in the Galilee," explains Shlomo Aryav. An attempt is being made to acquire land from Arabs. If someone tells you that Arabs are not selling, he is spewing nonsense. They are selling, mainly at night...."

Hemanuta' is attempting to lay its hands on every piece of land not under Jewish ownership. The story of Mitzpe Kalanit [Kalanit Lookout] in the Galilee is perhaps a classic story in this regard. When the lookout was built, a city development plan for the entire "settlement grid" was prepared. However, within the grid there were about 10 dunams owned by Arab citizens. Now, after the plan has been approved, the Arab landowners are demanding the right to build on their land, exactly as the Jews are building on the rest of the area. How is this prevented? The land is purchased, or more valuable land on the margins of an Arab settlement is offered to the Arab landowners in exchange for their land. The Arab landowner knows how much Hemanuta' wishes to buy his land. Accordingly, he increases the price so that it is many times greater than its value as assessed by the governmental appraiser resulting in long and exhausting negotiations, sky-high prices, and sometimes, excessive conditions that even an Israeli citizen would not obtain. For example, 100 dunams were recently acquired in the Segev Bloc area in the Galilee at a handsome price. All of the money was transferred abroad with the appropriate governmental certification in the seller's name who

decided that his life would be more comfortable and secure outside the borders of Israel. Needless to say, the seller was an Arab citizen.

Sometimes, Hemanuta's efforts to thwart the transfer of land to the ownership of Arab citizens fail. For example: Because of the great difference between the appraisal value determined by the governmental appraiser and the offer of an Arab buyer, Hemanuta' lost 18 dunams in Zikharon-Ya'aqov several months ago. The appraiser said that each dunam of agricultural land in the plot in question was worth about \$1,300. Hemanuta' offered the Jewish seller a villa it owned in Zikhron Ya'aqov in exchange for not selling. The buyer, an Arab citizen, offered \$5,000 per dunam and obtained the property. All pressures exerted on the seller did not help. When Hemanuta' offered the buyer his purchase price in addition to "expenses and income," he refused to sell. "Fortunately, in the last 2 years, there have been up to 150 dunams that we have known about," says Shlomo Aryav, "but we do not know how many deals are made without our knowledge."

Regarding the sale of land to Arab citizens, Hemanuta' is in somewhat of a bind. The company's files are filled with appeals from [Jewish] citizens asking Hemanuta' to acquire agricultural land that they inherited or stopped cultivating because of financial problems. Many letters are from the Galilee and also from the central part of the country. "The problem is that you do not know whether or not the pistol that they are using to threaten is loaded," explains someone involved in this area at the JNF. Sometimes, they threaten to sell the land to Arabs to obtain a higher price from the state."

The main envoy in negotiations over these acquisitions and most acquisitions in the Northern District is Haifa lawyer Avraham Hilely who serves as the director of the JNF Land Department. Hilely, who originated in Aleppo, Syria, is considered a leading expert regarding land in Israel and an expert in conducting long and complicated negotiations.

Several years ago, in a rare interview with KOTERET RA'SHIT, Hilely explained that the registration of land in the name of Hemanuta' is governed by a stipulation that requires the transfer and use of such land for Jewish possession exclusively, even though the land has been acquired with funds collected from all taxpayers in Israel. This is because the articles of association of the JNF, of which Hemanuta' is a subsidiary, explicitly provide that JNF lands shall be transferred only for the use of Jews. In the same interview, Hilely explains: "It is legitimate for the state to place land at the disposal of Jews alone. Quantitatively, Hemanuta's land in the West Bank is like a drop in the sea of Arab lands. Therefore, our lands should at least be possessed only by Jews. I do not want to discuss whether this is devoid of reservations from a legal standpoint, but on the other hand, the state was established for the settlement of Jews in Israel."

The same "Jewish principle" does not apply exclusively to Hemanuta's land within the state of Israel. A very narrow,

grey booklet in the offices of the JNF includes a very long list of land owned or possessed by Hemanuta'. They do not permit one to examine it, but they do present a column that proves that most of the entries relate to estates in the trusteeship of Hemanuta'. These estates, in time, are converted into money through their sale (to Jews only), or transfer to Jews or Arabs in exchange for other land in an area that is more vital to Hemanuta's program and the settlement system.

The above provides a glimpse of Hemanuta'. Hemanuta' was unwilling to address other questions regarding land redemption methods, methods of convincing potential sellers [not to sell their land to Arabs], methods of applying pressure and identifying "convincers," mechanisms regarding "other favors" that gnaw at the edges of the dry law, and other interesting deals "in the making." Inasmuch as the state comptroller's authority does not apply to Hemanuta', details of its activities are known only to a handful of senior officials in the JNF and the justice and housing ministries.

EEC Plans To Ban Meat Exports Reported

90AE0061B Tel Aviv YEDI'OT AHARONOT
in Hebrew 22 Apr 90 p 10

[Article by Avraham Dishon]

[Text] The veterinary services in the Agricultural Ministry are on the verge of a general collapse. The services are unable to cope with the wave of dangerous diseases affecting livestock, including rabies, which has afflicted hundreds of citizens.

It has become known that the European Economic Community [EEC] Commission is about to declare Israel a dangerous country for the export of meat products to Europe and the United States. This declaration will result in a cessation of exports worth about \$100 million per year from Israel's meat plants.

The chief of veterinary services in the Ministry of Agriculture, Dr Arnon Shimshoni, confirmed that his staff is unable to cope with the increase in livestock diseases. He said that Israel is approaching the "red line" regarding the minimum level of veterinary supervision commonly practiced in Europe and the United States.

Dr Shimshoni added that this serious situation has developed for a number of reasons:

- A drastic cut in manpower in the veterinarian services: According to him, 25 percent of the positions in the services were cut in the last 4 years, which has created a large work load for veterinarians. A substantial portion of the doctors are nearing retirement age and replacements for them have not been found yet.
- The intifadah: The incidents in the territories do not allow livestock there to be immunized, and these animals are transmitting dangerous diseases to areas inside the green line.

Since the beginning of the year, 14 cases of rabies have been detected in Israel. In 1989, 58 cases of rabies were detected, the largest number in more than 30 years. Israel is also among the leading countries in the world regarding the incidence of brucellosis, which afflicts human beings who eat infected lamb meat.

The rate of incidence of this disease increased fifteen-fold since 1983. Last year alone, it affected 800 persons, three of whom died.

Recently, foot-and-mouth disease broke out at Moshav Merhaviya, and the entire northern region has been generally closed to the transport of cattle and sheep. Within the space of a few days, the veterinarian services had to immunize more than 15,000 head of cattle and sheep. Such an epidemic has not been known in Israel in many years.

A delegation representing the EEC Commission recently visited Israel to gain a first-hand understanding of the level of services.

Downhill Trend Seen in Economy

90AE0061D Tel Aviv 'AL-HAMISHMAR in Hebrew
26 Apr 90 p 11

[Article by Tzvi Timor]

[Text] Individual consumption is declining, and this decline is adding to a slowdown in the economy. The decline in individual consumption is close to four percent; excluding durable goods which is at five percent. The branch which has been most damaged is textiles and clothing, but there has also been a decline in all other branches. There is even a per capita decline in food consumption.

As a result, industrial production declined. In 1989, there was a decline of two percent in terms of fixed prices in relation to 1988, after a decline of three percent in 1988 compared to the previous year. These declines encompass all branches, and are conspicuous at a level of 10 percent in clothing and leather following a decline of about 16 percent in the past two years.

As stated, the trend in this branch corresponds to the decline in individual consumption. However, other branches that are capital-intensive have also suffered from a decline of three to six percent, including food and beverages, metal, electronics, textiles, and others.

As a result, the number of wage earners in industry dropped by approximately six percent, or about 18,000 out of 300,000 existing workers. Employment is really not a good index for testing the importance of employment, but it seems that in every healthy branch structure, the number of persons who make a living from industry should have been higher by a margin of 75,000 to 100,000 persons.

The Decline in Demand in the Domestic Market

This also applies to agriculture. According to summaries of the Agricultural Center, 1989 was another terrible year for agriculture and farmers. The quantitative output in the last two years declined by about five percent against a backdrop in the decline in demand for agricultural products resulting from the recession and the intifadah. The decline in demand brought about a surplus in supply and a drop in prices because supply does not adjust immediately to demand in these markets. Consequently, farmers' incomes were adversely affected again further deepening the recession.

The decline in demand in the domestic market was not balanced by a growth in exports. Exports did not absorb domestic product surpluses, causing unemployment in terms of both people and capital. The proceeds from domestic producers in both industry and agriculture declined owing to the lack of a full correspondence between the exchange rate in effect and the increase in the prices of inputs in the economy.

Due to a combination stemming from the quantitative decline in production, the decline in prices, and the increase in the prices of input, farmers lost about 17 percent; if compensation for damages caused by the environment is subtracted, and the real decline in the wages of agricultural workers and journeymen is taken into account, the total, real decline amounts to 16.5 percent. During the last three years, the cumulative decline has come to total 33 percent, compared to a wage increase of about 10 percent in the same period.

In other words, the conditions that were created in the economy by the economic policy are ruining the economy's structure and its productive segments. A way out of this situation has yet to be found.

In addition, David Bo'az, who is in charge of budgets in the Finance Ministry, maintains that structural changes in the economy have not occurred, and that the Finance Ministry, in the absence of a permanent minister to determine policy, has become free for the work of publicists. Bo'az also blames the political system because it has failed to cope with the economy's real problems. However, in his view, the failure lies in "conveying the message" from the government to the public regarding wage disputes, exposure of the economy to competition (imports), and several conventional formulations of this type.

The political system has not failed to preach to the public, but it has apparently failed to determine its own order of priorities. Regarding public spending, priorities must be made in terms of choosing between growth and any other objective such as the excessive allocation of resources for political purposes to the religious sector, or continuing on with the lack of a political solution to the intifadah. In the absence of a political solution to the intifadah, the intifadah itself determines the order of priorities and the allocation that must be made to suppress it.

A Lack of Balance

One should not look only at the simple imbalance between sources and uses (the economy still has at its disposal sources from both abroad and Israel), but also at the incorrect allocation of resources for different purposes.

The allocations branch is more than a little guilty for not finding the sources needed to develop infrastructure, absorb immigration, and invest in productive sectors. This branch deals with cuts alone, not with increasing production. Under Israeli terms, the public sector's share [of production] can only be reduced by increasing the productive sector's share. However, the policy that is adopted always leads to the opposite result. The policy which has been followed has eliminated inefficiency according to the benchmark presented by the economic policy, especially the monetary policy. However, it has done so without concern for concurrently building an economy above the benchmark.

The economy moves forward on a steep downward incline.

Press Accused of 'Racist Tendencies'

90AE0061C Tel Aviv DAVAR in Hebrew 13 Apr 90 p 15

[Article by Amir Rozenblatt]

[Text] A new study that examines the extent to which daily newspapers with wide circulation publish racist arguments or arguments that can encourage racist attitudes, determines that DAVAR and 'AL-HAMISHMAR do not publish such arguments.

The authors of the study, "Racism in the Israeli Press," Dr Hayim Gordon of Ben-Gurion University's Education Department, and his wife Rivqa Gordon, monitored HA'ARETZ, HATZOFI, DAVAR, 'AL-HAMISHMAR, MA'ARIV, YEDI'OT AHARONOT, and HADASHOT for 4 months (from 1 June to 30 September 1989).

The newspapers were carefully examined by the researchers who were aided by a group of readers. Every article and news item dealing with relations between Jews and Arabs was examined. "Although it is important to analyze different types of news coverage in the newspapers, we focused at this stage on identifying arguments that can be interpreted as racist in articles that express an opinion or analyze political and current events," say the researchers.

The study shows that HATZOFI frequently publishes arguments that arouse fear and hatred of Arabs. For example, following the announcement by police that the Arab who had raped and murdered Oren Barhami was a sexual deviant, H-P-N (pseudonym?) wrote in HATZOFI on 15 June: "When an Arab murders a Jewish youth, he does so because, like his brothers, he hates Jews. The attempt by the Israeli police to determine with almost complete certainty that Oren Barhami's murder

occurred against a 'sexual backdrop' is nothing but a wayward attempt to blur the basic fact that Arab murderers roam freely, seeking 'fresh victims.'" "As readers," say the researchers, "we understand that H-P-N is implying that hatred of Jews is inherent in every Arab."

In the introduction of the study the researchers indicate that statistical studies done in recent years show an increase in the number of Jews who accept racism against Arabs as a legitimate political position. The researchers further indicate that this finding is confirmed by the appearance of parties that deny the rights of the Arab Palestinian public. These phenomena actually indicate that racist arguments have become acceptable in many areas of Israeli society.

A racist argument, according to the Gordons, is an argument in which certain negative traits are attributed to all Arabs. For example, that all Arabs are bloodthirsty or haters of nature. They also believe that there is racism in the argument that the Jewish people are superior to or better than other people. As an example, the researchers cite remarks written by Shmu'el Shnitzer in MA'ARIV on 22 September 1989, several days after the large fire in the Karmel Nature Reserve. The Gordons indicate that Shnitzer determined in his article that Arabs were responsible, as it were, for the outbreak of the fire when the police had not yet proved that Arabs had indeed set the fire. However, according to the Gordons, the writer associated the suspected arsonists with the same Arabs who are struggling for a Palestinian state in the West Bank and the Gaza Strip. Shnitzer: "This is a war being waged by those who hate the country against those who love it, a war of savages against all that blossoms, all that creates greenery, and all that gladdens the Jewish heart."

"It is possible to understand that Schnitzer is implying that Arabs hate the land, that they are savages fighting against everything that blossoms, creates greenery, and gladdens the Jewish heart. Despite the racist attitude that emerges from these remarks, to the best of our knowledge, Shnitzer has never been attacked as a racist," claim the researchers.

The Gordons hypothesized that a significant number of reporters and editors in the daily Israeli press support, knowingly or unknowingly, positions that are liable to facilitate the spread of racism and hatred against Arabs in Israel. They indicate that "this hypothesis proved to be correct, but the size and depth of the phenomenon both surprised and frightened us. The fact that direct or vague arguments liable to arouse racism appear in the press, which is a powerful factor in determining public opinion, greatly affects the legitimacy of racist arguments in our way of life."

In order to categorize arguments in the Israeli press that encourage racism, the Gordons were aided by the writings of intellectuals and authors who were divided into five main attitudinal categories. These were: the vindictive cliché, Hannah Arendt; frustration and inordinate pride, Dostoyevsky and Kafka; the demonic double,

Sartre; the attitude expressed by Dostoyevsky's Ivan Karamozov; and the attitude of stupidity, Socrates.

The researchers point out that, in HA'ARETZ, one can find arguments that can be interpreted as encouraging or justifying a hostile attitude toward Arabs, especially in articles by Dan Margalit and Yo'el Marcus. "Marcus does not distinguish between civil disobedience and murder, between people who are trying to cultivate justice and people who are trying to cultivate nationalist objectives, as exemplified in his article of 2 June.[]" The researchers state that, during the period of the study, HA'ARETZ published 17 articles that correspond to the above-mentioned categories of racist attitudes and are perhaps liable to be interpreted as encouraging racism.

In the same period, HADASHOT published 15 articles liable to encourage racism, of which Lipshitz wrote six.

YEDI'OT AHARONOT published 17 articles that correspond to one or more of these attitudes, of which Eliyahu 'Amiqam is the author of four, Natan Baron of three, and Knesset Member Ge'ula Kohen of two.

During the period of the study, MA'ARIV published 43 articles that correspond to these attitudes. "Almost every 2 days, MA'ARIV published an article that could be interpreted as encouraging racism. Shnitzer wrote six of these articles, Yosef Lapid wrote five, and Dov Goldstien wrote four."

HATZOFÉ, the researchers state, "published 60 articles that correspond to the above-mentioned racist attitudes. Most of the articles appeared in the 'Tatpit' [Observation] section or in the editorial section. Yosqa Shapira and Moshe Ishon each wrote three articles that can be interpreted as encouraging racism.[]" In the study's summary, the researchers indicate that their most frightening conclusion is that articles that can encourage racism enjoy wide distribution and are printed in most of the main Israeli newspapers. "In many newspapers, a story of this type is usually done in a sophisticated manner. However, in HATZOFÉ, for example, treatment of Arabs is sometimes sharp and brutal. This newspaper has a relatively small number of readers. By contrast, there are several journalists who sometimes subtly express arguments that can be interpreted as racism in MA'ARIV which sells tens of thousands of newspapers daily. Could one conclude that this is an accepted policy of the newspaper? If so, it could be said that MA'ARIV is undermining Israel's democratic character," the researchers argue.

"If one of the media's functions in a free state is to help preserve democracy, it does not seem that HATZOFÉ and MA'ARIV are fully carrying out this function regarding racism toward Arabs, according to the results of the study. Instead, these newspapers provide a stage for a group of reporters who sometimes subtly express hatred toward Arabs and attribute to Arabs negative and inferior characteristics. Such writers encourage their readers to hate Arabs."

It seems that most of the writers are not aware of the danger in their writing. It can be said that some of them do not frequently meet with Arabs, and are wholly preoccupied with them as abstract entities. (Incidentally, the researchers indicate that MA'ARIV did not publish a single article by an Arab- Israeli during the period of the study.)

The researchers emphasize that, according to the attitudes found in the articles which were used as samples, it seems that the main error of the writers is that they have not learned that sophistry, whose hidden goal is to spread hatred of Arabs or leftist Jews, does not truly clarify the described situation. "Such clarification is the least that journalists of stature can provide to their readers. Therefore, our impression is that the writing of Shnitzer, Lapid, Marcus, Margalit, and others is characterized by banality. Wisdom requires directness and sincerity in viewing a situation...abilities that these intelligent reporters have apparently lost. Therefore, we have sensed on more than one occasion that these reporters not only do not support human rights or the values of democracy, but that their articles are usually trite and banal. They are unable to say anything of value about the complexity of our human condition. Such journalism not only damages democracy, it also reflects poor writing."

Measures Envisaged To Deal With Water Shortage

90AE0071C Tel Aviv DAVAR in Hebrew 4 May 90 p 15

[Article by David Moshivuv]

[Text] Water Commissioner Tzemah Yishay recently ran announcements in the press in which he proclaimed to the broader public the decision of the Water Council to cut water quotas for citizens of the state. [The announcement] is as follows: [cuts] for agriculture in the northern part of the country, by 20 percent—including the previous cut in quotas that had been made according to the emergency regulations; in the Negev, a five percent cut—and this cut, includes, as well, a previous cut that had been made according to the emergency regulations. Industry received a cut of seven percent throughout the country; household use got a 12 percent cut throughout the country—and this cut includes the previous cut which was made according to the emergency regulations, and which went into effect on 1 April of this year.

Unlike before, the cut proposed today would go into effect in the customary manner, and the public is invited to voice its concerns and complaints. However, the water commissioner is asking the consuming public, and especially farmers, to take these cuts into account now, and not to plan crops for which there will be no water to prevent unnecessary investments and losses.

The aim of the cut in the water quotas is to save a total of 200 million cubic meters during the present year.

The present cut in water quotas comes after three years in which there were no cuts in water quotas for Israeli

consumers. The first cut in water quotas was in 1987. The cut actually came to 250 million cubic meters for agriculture. The cut for farmers was not lifted, and this cut today actually hurts the farmers because it represents an additional cut.

What, in fact, is the reason for the cut in the water quotas? Two dry years during which there was insufficient rainfall, and the rainfall pattern was not good from a hydrological viewpoint. There was almost no rainfall this year in the region of the basin of the Sea of Galilee. The level of the Sea of Galilee is two and one half meters less than its optimal level. That means that in the Sea of Galilee alone, there is a deficit of 400 million cubic meters of water.

It should be remembered that Israel does not have rich water sources. Israel does not have sources such as the Nile, or the Rio Grande, or, for instance, the Amazon. Israel is very dependant on rainfall to renew its ground water reserves for the output of the springs, for the volume in the streams, and for the single largest river, the Jordan, and also to fill the Sea of Galilee. The quantity of rainfall that fell in the upper Galilee, in the Golan Heights, and in the vineyard region of the Sea of Galilee basin was meager—leading to a continued dwindling of water resources in the north of the country, to a reduced output in the sources of the Jordan, and to a smaller output of the other springs, as well as the failure to fill reservoirs in the Golan Heights and other parts of the country.

Experts assert that the accumulated water deficit in the ground water supply today comes to nearly two billion cubic meters. In order to overcome this tremendous water deficit, Israel is conducting negotiations with Turkish authorities for the purchase of 250 to 400 million cubic meters of water annually, for at least 15 years. The Turks have a tremendous surplus of water sources, and they are willing to sell unlimited quantities of water. The price, including transportation, will be from 20 to 22 cents per cubic meter. Transportation is to be effected by means of special balloons made of plastic. They are the invention of a Canadian company, and they already passed tests and have been used in various places. Each such balloon can hold 800,000 cubic meters of water. The balloons will have input pipes for pumping in water from Turkey, and output pipes for pumping out water in Israel. The balloons will be towed by boats belonging to Israeli companies, and the water will be injected into the ground water in Israel to enrich it. But all this is still in the future. Even if the negotiations are successful, the realization will not begin for another two years.

Israel, which has been grappling with this water shortage for many years, has developed efficient methods for using water in agriculture and industry, and also for household use. In the field of irrigation, for example, Israel is very advanced. It exports irrigation systems using drip, fertilizing, and other methods, all of them

computerized, and centrally-controlled, providing the optimal quantity of water to the plant.

The main victims of the cut in the water quotas will be the farmers. This cut requires a reduction of hundreds of thousands of dunams in cultivated areas which will reduce farmers's incomes. It should be remembered that the farmer's situation has not been very good in recent years, and that, of course, is putting it mildly. A farmer's wages today come to 55 to 60 percent of the average wage. The farmer is not protected, and does not receive unemployment compensation or other assistance. The cut in the water quotas will further depress the farmers' wages.

The farming public understands the severity of the situation and the serious water shortage, and, therefore, does not oppose the cut in water quotas. But it is demanding financial compensation for the reduction in farmers' incomes. Moreover, the cut in water quotas must be carried out in such a manner that crops will not be hurt seriously. If the citrus groves, avocados, or apples are not irrigated, for example, these orchards will suffer irreversible damage.

The Ministry of Agriculture is supposed to demand from the government a special allocation of IS150 million for compensating the farmers for the cut in water quotas. This sum is for granting compensation to farmers in the amount of 100 million cubic meters of water for a cut of 200 million cubic meters, at a rate of 50 agorot per cubic meter, with another IS50 million for the purchase of water quotas totalling 100 million cubic meters from farmers willing to give up their quotas in exchange for compensation, thereby increasing the saving of water.

The situation of the water economy is most serious. Some experts argue that the cut proposed by the water commissioner is insufficient, and that it should be doubled to at least 400 million cubic meters of water this year. This serious situation requires that all citizens of the state save water at any price in agriculture, household use, and in industry, so that we do not open the faucet and find that air comes out instead of water.

Some are saying that misery loves company. In southern California, the situation of the water economy this year is extremely serious, and this year there are no water surpluses there either. The authorities in Los Angeles and San Francisco have instituted severe water discipline, including the imposition of fines on those who waste water, and a prohibition on planting new gardens. Let us hope for better years.

KUWAIT

Government Mandates Substantial Change in Legislative Structure

90P40064B London AL-SHARQ AL-AWSAT
in Arabic 20 Jun 1990 p 1

[Text] AL-SHARQ AL-AWSAT has learned that substantial changes have come about in the proposed

Kuwaiti governmental structure carrying new surprises. Informed sources have revealed that the new governmental structure will bear definite indicators about the nature of governmental work which the state desires over the next four years. This will be a period which will witness debate and will permit a number of legislative activities, projects, and steps, which will in turn solve a number of pending issues in the areas of housing, development, economics, employment, and legislation.

The sources said that agreement was reached on the new government, and that it will be announced tomorrow. It will be a rightist constitutional government and will be formed next Saturday. The new government will be made up of the following:

Shaykh Sabah al-Ahmad al-Jabir, first deputy prime minister and head of council and the supreme specialized government committees; Shaykh Salim Sabah al-Salim, second deputy prime minister and minister of the interior; Shaykh Jabir Mubarak al-Hamad, minister of information; Shaykh 'Ali al-Khalifah al-'Adhbi, minister of petroleum; Shaykh 'Ali 'Abdallah al-Salim, minister of territorial affairs; Shaykh Nasir Sa'ud al-Sabah, minister of labor and social affairs; Shaykh Nasir Muhammad al-Ahmad, foreign minister; Shaykh Salim Jabir al-Ahmad, minister of state for foreign affairs; Dr. 'Ali al-Shamlan, minister of higher education; Shaykh Ibrahim al-Du'ayj, minister of agriculture; Shaykh Dr. Muhammad Sabah al-Salim, minister of planning; Shaykh Salman al-Du'ayj al-Sabah, minister of justice; Sa'd al-Sa'd, minister of housing; Nasir al-Marzuq, minister of communications; Rashid al-Rashid, minister of the national assembly; Dr. 'Abd-al-Rahman al-'Awadi, minister of state for the council of ministers; 'Abd-al-Rahman al-Huti, minister of labor; Badr al-Rifashi, minister of municipal affairs; Dr. 'Abd-al-Wahhab al-Fawzan, minister of health; Dari al-'Uthman, minister of development; Jasim al-Khurafi, minister of the treasury; Sa'ud al-'Usaymi, minister of culture; 'Abd-al-Rahman al-Khadari, minister of Islamic trusts [Awqaf].

SAUDI ARABIA

\$33 Million Given to PLO To Support Intifadah

JN2905103690 Al-Dammam AL-YAWM in Arabic
27 May 90 p 1

[Text] Riyadh, SPA—Muhammad Farajallah 'Isa, Palestinian charge d'affaires in the Kingdom of Saudi Arabia, has received a \$33.1 million check representing the five monthly installments of Saudi support for the intifadah [uprising] for January, February, March, April, and May of 1990. This support marks the implementation of resolutions adopted at the Algiers summit of 1988.

Isma'il al-Shura, assistant under secretary for political affairs at the Foreign Ministry, handed the check to the Palestinian charge d'affaires when he received the latter at his office at the Foreign Ministry yesterday morning.

INDIA

Paper Reports Singh's 'Major' Foreign Policy Exposition

46001612A New Delhi PATRIOT in English
2 May 90 p 1

[Article: "India Can Face Any Conflict: PM"]

[Text] Prime Minister V. P. Singh on Tuesday said that while India was capable of meeting any conflict thrust upon her, it would be better if Pakistan honoured the Shimla agreement in letter and spirit.

In his first major exposition on country's foreign policy, Mr Singh said India wanted to work for peace and prosperity and "history will give us clean chit if we maintain the global trends towards dialogue, openness and cooperation.

The Prime Minister was delivering Indira Gandhi Memorial Lecture on 'India's contribution to international peace', organised by Association of Indian Diplomats.

Reiterating India's firm commitment to peace, Mr Singh said that South Asian leaders and people needed to remind themselves of the "imperatives of peace". In an obvious reference to the Pakistani supported militant movement in Jammu and Kashmir, the Prime Minister said "externally inspired secessionism, whether in the false garb of self-determination or religious identity, is the anti-thesis of democracy".

Political freedom which has been won at great cost, must not be subverted through interference, Mr Singh said, pointing towards Pakistan. Pluralism and diversity, tolerance and reconciliation of opposites have given India its national identity. No externally inspired effort would be allowed to succeed, Mr Singh said.

Outlining the objectives of country's foreign policy, the Prime Minister said India must continue to evolve its foreign policy to enhance its legitimate role in international affairs. "India is too populous and too large not to conceive an independent role for itself", he added.

Expressing his concern over the stalled North-South dialogue, Mr Singh said India would continue its efforts to revive this. India separately took the initiative to set up a summit level group of 15 developing nations to try to evolve a coordinated approach on global economic issues and for intensification of North-South cooperation, he said, expressing his hope to make a beginning in this direction at the first meeting of this group in Malaysia in June this year. Mr Singh would be leading the Indian delegation.

Mr Singh expressed the country's firm resolve to continue efforts to maintain sustained pressure on South Africa for early dismantling of apartheid. Referring to the West Asian problem, Mr Singh extended firm support to the Palestinian cause.

Plans Under Way for Expansion of Indo-PRC Trade

46001602A Calcutta THE TELEGRAPH
in English 24 Apr 90 p 1

[Article by K. K. Sharma: New Delhi, April 23: Indian and Chinese officials are working out plans for a steady expansion in Sino-Indian trade, the possibility of which has now emerged because of the considerable improvement in political relations between the two countries.

The present two-way trade turnover is a nominal Rs 200 crores. Considering the size and complementarity of the economies of the two countries, there is scope for considerable expansion in the figure.

A special effort is being made to identify areas in which the two countries now purchase goods from industrialised countries and which they can sell to each other. Another area is the specialised technology suited to the needs of developing countries in a similar stage of development.

A recent breakthrough was the finalisation of a deal for export of 500,000 tonnes of Indian iron ore to China. At present, Japan and South Korea are the main buyers of Indian iron ore and diversification is necessary. Since China has plans to modernise and expand its steel plants, it will need raw material for the purpose.

While this is considered to be a major step forward in the trade pattern, what will be a real breakthrough is when the two countries decide to set up joint ventures in both India and China. This was discussed recently when the Chinese foreign minister visited New Delhi for wide-ranging talks.

Setting up to joint ventures will lead not only to financial investment in each other's countries but also transfer of technology and export of machinery and components, thereby adding to the trade turnover. China has now opened itself to private foreign investment on a much more liberal basis than is possible in India.

China and India signed a trade protocol in September, 1989, which envisaged a substantial expansion of trade. Under this, China is to import 100,000 tonnes of iron ore, chrome ore and tea worth Rs 1.65 crores as well as about 300,000 tonnes of urea.

The protocol envisages removal of trade barriers and expansion of bilateral trade and economic and technical cooperation. The export deal for 500,000 tonnes of iron ore is well above the figure mentioned in the protocol.

Economic news service.

Pact Signed at End of Indo-Austrian Delhi Talks

46001598A New Delhi PATRIOT in English
27 Apr 90 p 9

[Article: "India, Austria To Step Up Bilateral Trade"]

[Text] India and Austria would step up bilateral trade and economic cooperation specially in the area of third country projects.

With the phasing out of certain industries in West Europe, either on account of labour wages or environmental considerations, and with mergers or acquisitions going on in preparation for the 1992 Single European Market, there were distinct possibilities of using India as a production base for setting up joint ventures.

Exports of the goods manufactured through such joint ventures might be made either under buy-back arrangements to West Europe or to the neighbouring countries in the Asia-Pacific region. Both India and Austria have discovered that there is considerable scope for increasing Austrian investment in India.

The two countries entered into an agreement in the Capital on Thursday in this connection, following the three-day meeting of the Indo-Austrian Joint Commission. The agreement was signed by Mr J. N. Rengen Joint Secretary in the Ministry of Commerce and leader of the Austrian delegation, Dr Joseph Tschach, Director General, Federal Ministry of External Affairs of Austria.

In view of India's special trading arrangements with East European countries, modalities would be worked out for increasing cooperation in third countries. Possibilities of Indian and Austrian companies entering into the World Bank and ADB [Agricultural Development Board] projects involving cotendering, would also be explored.

Both countries were of the opinion that Government officials could identify the areas of cooperation and bring businessmen of both sides together.

While greater awareness of the capabilities of the Indian industrial and trading community could be created, Government could act as a catalyst in such cooperations. The ultimate may lay in the hands of the private industrialists and businessmen, the two sides felt.

They also felt that delegations, such as the Associated Chamber of Commerce and Industry (ASSOCHAM) and the Confederation of Engineering Industry (CEI) scheduled to visit Austria in the subsequent months, would greatly enhance the possibilities of establishment of closer business relationship between India and Austria.

V. P. Singh Letter Addresses Problems of Communalism

46001584A Calcutta *THE STATESMAN*
in English 7 May 90 p 1

[Article: "No Room for Complacency, says P.M."]

[Text] New Delhi, May 6—The Prime Minister has asked State Governments to take firm preventive action against communalism, particularly in view of the situation in Punjab and Jammu and Kashmir, and evidence that external forces are trying to spark off communal violence.

In a letter to all Chief Ministers, Governors or administrators of States under President's rule or Union Territories, Mr V. P. Singh said he was aware that steps, no doubt, had already been taken, but there was no room for complacency.

He suggested that periodic reviews be undertaken and the Home Ministry kept informed.

The Prime Minister recalled the deliberations and the meeting of the National Integration Council, where the responsibilities of the State Governments had been laid down. He listed the areas which required special attention, emphasizing attempts by subversive elements to create a communal divide.

Preventive measures should be taken, particularly in sensitive areas. The taking out of religious processions, and on new routes, was to be carefully monitored. Provocative slogans and posters must not be permitted, especially near places of worship. State intelligence agencies had to be constantly alert, Mr V. P. Singh said.

He reminded the Chief Ministers and Governors that the Government had "reliable information that external agencies aiding and abetting terrorist and secessionist groups have been instructing these groups to focus on violent acts which lead to communal clashes. The people have to be educated that this sinister design of anti-India agencies from across the border are not allowed to succeed".

The Prime Minister said provocative posters or pamphlets or handouts intended to rouse communal feelings need to be checked firmly, adds PTI. "The State intelligence agency also requires to be suitably alerted to collect advance information on the communal elements and their activities", he said.

Mr Singh said the requirement of force in sensitive areas had to be assessed and provided. "There may be attempts by the terrorists and subversive elements to rouse communal passions and to create a rift between the people of different faiths".

Anti-social elements, he said, might also exploit any situation which had a communal tinge. Certain organizations with a fundamentalist approach would also make a concerted attempt to exploit the situation, he warned.

The Prime Minister's letter comes in the wake of the National Integration Council meeting held in the capital on April 11, where Chief Ministers and Governors of States discussed the communal situation in the country and decided to entrust with a committee the task of analysing the various aspects of the problem of communalism and recommend a plan of action to counter this "growing menace".

Home Minister Announces Economic Plan for Northeast

46001590A Bombay *THE TIMES OF INDIA*
in English 6 May 90 p 9

[Article: "Economic Plan for N-E Announced"]

[Text] Guwahati, May 5. The Union home minister, Mufti Mohammed Sayeed, today announced a package

of economic measures for the development of the north-east after a day-long meeting with the chief ministers of the north-eastern states and several high officials at Dispur.

Mr Sayeed, who chaired the meeting of the committee of ministers for the economic development of the north-eastern region, claimed that it was possible to link all the hill capitals of the region by rail. He quoted the railway minister, Mr George Fernandes, as saying that with the latest technology it was possible to lay tracks through steep terrains and hills, a dominant feature of the region. He said an assurance was given at the meeting that the project would be completed within the eight five-year plan.

Mr Sayeed also announced the continuation of transport and central investment subsidies to entrepreneurs in the north-east by another ten years.

To boost the rich tourism potential of the region, he said restrictions on foreign tourists would be relaxed. Indian embassies abroad had been empowered to issue visas to foreign tourists visiting the north-east. However, he said a blanket withdrawal of the restricted areas permit was not possible.

He was, however, ambivalent on the long-standing border disputes between the states in the north-east but hoped that the contending states would be able to sort out their problems.

The flood problem in Assam has eluded a solution primarily due to the intransigent attitude of Arunachal Pradesh to the building of a dam at Subansiri in the state. The Union minister admitted that the law and order situation in some states was affecting the implementation of developmental projects.

Auditor General: 'Grave Lapses' in Defense

46001575A Bombay THE TIMES OF INDIA
in English 16 May 90 p 24

[Article: "CAG Cites Defence Lapses"]

[Text] New Delhi, May 15 (PTI). The Comptroller and Auditor General [CAG] has reported grave security lapses in the shortfall in equipping the artillery regiments with the full gun systems of the 155mm Bofors howitzers and also for the delay in replacement of defective shells worth Rs 26 crores.

In its latest report on defence services laid in Parliament today, the CAG said the defence ministry was carrying out a technical feasibility to make the guns in India through reverse engineering without the need to import completely knocked down or semi-knocked down kits and other materials from Bofors.

The CAG rapped the government saying the counter trade agreement with Bofors for exporting Indian goods to Sweden was "flawed" and this, instead of boosting

trade with Sweden, had actually led to the decline in exports to that country in 1988-89 as compared to the previous year.

The new National Front government had decided in February this year that no further steps would be taken to operationalise the licence production of the 155mm guns in India until Bofors furnishes full details about the persons and parties to whom payments of commission had been made.

But this is the first time that the report reveals that the government review of the agreement includes a reassessment of making the guns through "reverse engineering without importing kits and other materials from Bofors". The CAG said the shortfalls in equipping the artillery regiments of the army included non-receipt of seven of the eight important items of the gun system from the inventory.

The defence ministry informed the CAG early this year that the systems had not been supplied to regiments as they did not conform to the prescribed specifications. The CAG said though the ministry had acknowledged that almost all equipment for raising the medium artillery regiments had been received from Bofors except one system, the government had not clarified the position regarding the shortfall.

The CAG also indicted the government for not seeking replacement of the fuzes for long-range shells of the gun system. On inquiry, the CAG said the government had informed that Director-General Quality Assurance (DGQA) had pronounced the entire stock of fuzes of one type of shells received till September 1988 valued at Swedish kroner 4.98 crores (Rs 13.34 crs) as defective.

However, it said on consequent request from the manufacturers of a fresh check in the presence of their representatives, was carried out and shell performances found to be satisfactory. CAG added that the check proof of the other long range shells had still not been carried out till February 1990.

It said on inquiry the defence ministry had informed that the second type of shells had been sentenced rejected and that Bofors had been asked to replace them. This it said had led to two shells not being supplied to the artillery regiments.

The CAG said an amount of Rs 21 crores due from the supplier on account of liquidated damages up to December 1989 was still to be recovered. It also rapped the ministry for filing no claims for damaged ammunition worth Rs 96.43 lakhs received during February last year as the ship in which it was being brought caught fire on the high seas.

Referring to the counter trade agreement with the Bofors to facilitate buy back of goods or items manufactured in India, it said appropriate mechanisms for ensuring

implementation of the agreement was not conceptualised. Although, the purpose of the counter trade agreement was to generate additional exports it had led to diversion of exports to the detriment of India.

Strategy Against Border Infiltrators Described

46001587A New Delhi *PATRIOT*
in English 4 May 90 p 1

[Article: "Move To Cut Off Pak ISI, Militants Nexus"]

[Text] The government of India has moved to cut the nexus between the field units of the Pakistan Inter Services Intelligence (ISI) and militants in Kashmir and Punjab by interposing security forces and barbed wire along porous sections of the 'Line of Actual Control' in Kashmir and the international border from Jammu to southern Punjab.

On Prime Minister V. P. Singh's instructions Defence Secretary N. N. Vohra, Home Secretary Naresh Chandra and directors-general of the Central Reserve Police Force [CRPF] and the Border Security Force [BSF] met in New Delhi on Thursday and worked out modalities for fuller coordination between the Army, the CRPF and the BSF to intercept the supply of arms to the militants and prevent movement across the border from the Baramulla sector down to Sri Ganganagar in Rajasthan.

The existing fences will be extended and electrified if necessary. Floodlights will illuminate broad stretches along the border so that any attempt by anybody to cross the border will be immediately detected.

The move also pre-empts efforts by the Pakistan ISI to send in saboteurs and make it appear that a liberation movement is gaining ground. Coordinated as it is with house-to-house searches for weapons caches and militants in Kashmir, it will disrupt plans to use the greater accessibility afforded by the melting of snows and the advent of spring in Kashmir.

It coincides with elections in Pak Occupied Kashmir where many of the training camps for terrorists have been set up with active support from political elements that are divided over full nationhood for Kashmir or merger with Pakistan.

The plugging of the 'Line of Actual Control' is being done simultaneously with similar measures along the international border from Ranbirsinghpura in Jammu division down to Fazilka and Ganganagar in Rajasthan from where arms have been smuggled into Punjab.

A comprehensive review of the security situation undertaken by Punjab Governor Nirmal Mukarji with Commissioners, Deputy Commissioners, DIG [Deputy Inspector General (of Police)]s and SSP [Samyukta Socialist Party]s at Chandigarh has underscored Pakistan's increased involvement in extremist involvement in the State.

A strategy has been evolved by which greater coordination between the magistracy and the police on the one hand and civilians on the other will be supplemented by greater people's participation in the planning and implementation of security measures.

Protest Against Orissa National Test Range Continues

Local 'Restlessness'

46001589A Bombay *THE TIMES OF INDIA*
in English 5 May 90 pp 1, 7

[Article by Debashish Munshi: "Stir Threat Looms Over Baliapal"]

[Text] Baliapal, May 4. In the villages of Baliapal, resentment is gradually building up against the country's new rulers for their failure to announce the shifting of the national test range from the most fertile stretch of land on the Orissa coast.

"National Front leaders like Mr V. P. Singh and Mr Biju Patnaik had wholeheartedly supported our agitation against the test range when they were in the opposition. But today they are mysteriously silent on the issue," said Mr Brindaban Raj, the ailing chairperson of the Khepanastra Ghati Pratirodh Samiti (KGPS), which has been spearheading the five-year-old movement against the test range.

"It was on the basis of their moral commitment that the people of Baliapal voted en masse for the Janata Dal and its allies both in the parliamentary and the assembly elections. But we are disheartened that nothing has been done so far," Mr Raj lamented.

The mood of the people indicates that their patience is wearing thin and the agitation may well be revived in a more aggressive manner soon. "After all how long are we expected to wait for an answer?" asked a youth keeping vigil near the barricade erected by the villagers at the entry point to Baliapal.

The barricade stands as a symbol of the people's power, a power that has resisted the government's attempts to take over a highly productive green land which exports pan, cashew, coconut and fish worth Rs 200 crores every year.

Except for a brief period during the recent elections, the barricade has, for the last few years, prevented the entry of any government official or vehicle into the cluster of villages in the Baliapal-Bhograi block which comes under the test range project. About two years ago, the then Congress government had sent a police and paramilitary contingent to storm the area but it had to beat a retreat in the face of a mammoth human blockade put up by the spirited villagers.

The Congress government has been voted out of power but the barricade continues. "It will continue till the

project is formally scrapped or is at least shifted out of the Baliapal region," says Mr Bijoy Das, secretary of the Jagatipur panchayat within the test range area.

The restlessness of the people has put a lot of pressure on the newly elected MP [Member of Parliament]s and MLA [Member of Legislative Assembly]s of the region. The Janata Dal MP, Mr Samarendra Kundu, and the CPI [Communist Party of India] MLA from Balasore, Mr Arun Dey, who have been at the forefront of the agitation, are in constant touch with the Centre.

Mr Dey, however, felt that there was no cause for worry because "Baliapal is for all practical purposes a closer chapter". There is absolutely no question of the test range being set up there, he said. "The government dare not go against the will of the people."

According to him, the fact that there is no provision at all for a national test range in this year's Union budget is enough indication that the government has no intention to set up the range. He felt that the interim test range at Chandipur, which was used for the launch of the "Agni" missile last year, would gradually become the main range after the acquisition of some uninhabited land and the improvement of facilities.

The KGPS activists at Baliapal, however, are a bit wary of the government's silence on the issue. "We will go to Delhi to present a memorandum signed by lakhs of our people. We will stage dharnas near Parliament. If the government is still deaf to our demands, we will start a movement once again."

The people are not willing to compromise in a matter that involves the livelihood of 120,000 farmers and fishermen in 125 villages spread over 100 square km in the Baliapal-Bhograi block of Balasore district.

The government's choice of the site has always defied logic, for the area is among the most prosperous belts in an economically backward state. In what can be described as one of the best examples of judicious land use, the villagers have carefully developed the area into a thriving agricultural zone by reaping rich harvests of not only high-grade rice and coconut but also relatively new cash crops such as groundnut, cashew and pan.

The 30,000-odd betel vines have added a distinctive character to Baliapal-Bhograi and, according to many, it is extensive betel cultivation that provides the base for the area's prosperity.

The "pan baraja", as the rectangular enclosures used for growing betel vines are called, do not require much investment. But even a small cultivator like Mr Ramakant Sahu said he earned Rs 30,000 a year. The pan grown by him finds its way to markets as far away as Bombay, Delhi and Agra.

Shrimp cultivation, too, is a moneyspinner in the region and the daily turnover of a co-operative fish farm can be a staggering Rs 15,000. According to a member of one such co-operative, Mr Madhusudan Dhal, there is a

regular supply of shrimps and other varieties of fish to the neighbouring West Bengal and the market keeps growing everyday.

The people of the area are not waiting for the facilities that might come in the wake of "development". They are comfortable in the prosperity of the area, reflected not only in its greenery and co-operative enterprises but also in its patronage of art and education.

Chief Minister's Remarks

46001589B Bombay THE TIMES OF INDIA
in English 6 May 90 p 9

[Article: "Biju Allays Fears Over Baliapal"]

[Text] Bhubaneswar, May 5. The Orissa chief minister, Mr Biju Patnaik, today virtually refused to take cognizance of the continuing apprehensions and uncertainty about the national test range (NTR) project at Baliapal, by claiming that such a project never existed.

Faced with a barrage of questions on the current status of the project, Mr Patnaik asked "Where is the Baliapal project?" Asked if the project has been scrapped, he replied, "Nothing has been scrapped because nothing had been proposed at all."

There is considerable resentment among the villagers of Baliapal because of the ambiguous stand of the National Front leaders on the NTR issue despite the fact that these leaders had supported the agitation against the test range when they were in the opposition.

The people there have, in fact, decided to intensify their agitation unless the government made a categorical announcement about the shifting of the NTR from Baliapal.

Mr Patnaik, however, tried to evade specific questions on the Baliapal issue. Instead, he said that the interim test range at Chandipur could be developed for the launching of medium and long range missiles.

In reply to another question, the chief minister said that co-operative bank loans to farmers for the current kharif season would start flowing from next week.

In his usual brusque manner, he dismissed the apprehension expressed in certain quarters about loans not being advanced to farmers by banks because the guidelines of the state government did not conform to those of the central government with regard to the loan waiver scheme.

Referring to the much-talked about second steel plant for Orissa, the chief minister said that a South Korean team had approved the site and were in the process of drafting a feasibility report. However, he said discussions were also on with certain competent European firms. It was possible that different companies would be asked to

build different components of the plant, he said. However, a final shape of the project would emerge only after two or three months.

Meanwhile, he said, the state government was going ahead with the site preparation at Paradip, irrespective of who built the plant.

Production of Indigenous Battle Tank in 1992

46001607A Calcutta *THE STATESMAN*
in English 9 May 90 p 9

[Article: "Production of MBT To Begin in 1992"]

[Text] New Delhi, May 8—Production of the indigenous main battle tank would "definitely" begin in 1992, the Rajya Sabha was told during question hour today by the Minister of State for Defence. Dr Raja Rammanna stoutly defended the Arjun Project in the wake of some criticism of overruns in cost and time by a section of the Opposition.

The Minister said that while nobody could deny massive cost overruns, it must be realized that a tank was a complicated and complex machine, "a whole world in itself", and the Arjun was conceived as being completely contemporary when production began.

Dr Raja Rammanna admitted that the chief problem related to the power plant and imported engines were being used in the two "fully integrated" prototypes that were undergoing trials with the Army.

Discounting reports of poor performance during recent trials in the Rajasthan sector, the Minister said that the object of trials was to detect and rectify shortcomings. The fact that the Army was preparing for a second series of desert trials next month proved that it was impressed by the Arjun.

Explaining reasons for delays—the production is now six years behind schedule—he said that there had been changes in the qualitative requirements of the Army. Additional prototypes and a pre-production series had been deemed necessary and there was a "more realistic assessment of technical and user trials."

Twelve prototypes, including two "fully integrated" prototypes had been fabricated. More than 12,500 kms track mileage had been accumulated as part of the evaluation by the Army and the Defence Research and Development Organization.

"As part of the weapons system trials a total number of 754 rounds of different types of ammunition have been fired for evaluation or range, accuracy and consistency of the system. The immunity has been tested to our satisfaction."

The Minister continued that the project was originally sanctioned at a cost of Rs 15.50 crores. In October 1980 and May 1987, it was revised to Rs 56.55 crores and Rs

280.89 crores respectively. The amount of money spent, till December 1989, was Rs 189.10 crores.

Several Congress(I) members criticized the cost and time overruns. The Minister regretted that instead of appreciating the efforts made by the scientists working on the project, they were being criticized.

The project had virtually started from scratch. In the process had been developed the Kanchen armour—probably the best in the world—the optics, the suspension and other systems. Even in developed countries it took 10 to 15 years to develop a tank.

Questioned about the financial aspect he said it was now estimated that each tank would cost Rs 3.5 crores. Materials had become more expensive and prototypes had to be built which had not been originally planned.

The Minister said that when an estimate of Rs 25 lakhs had been made good in 1972, it was probably because the various developments in weaponry had not been taken into account and perhaps the idea of building an engine was ambitious.

In a brief intervention, the Prime Minister said that no assurance could be given that the project cost would remain frozen at Rs 280 crores—fluctuations in exchange rates, inflation, rising costs of components, made that impossible. But every effort would be made to ensure that costs did not arise due to negligence.

Audit Report Notes Lapses in Air Force Preparedness

46001577A Calcutta *THE SUNDAY STATESMAN*
in English 13 May 90 pp 1, 7

[Article: "Mirage-2000s Flown Weaponless: CAG"]

[Text] New Delhi, May 12—The Indian Air Force [IAF] frontline aircraft, the Mirage-2000s, were operated for almost two years without any major armaments as there was none in the inventory of the IAF. This glaring security lapse has been brought to light in the just-tabled report of the Comptroller and Auditor-General [CAG] on the Air Force and Navy, says PTI.

Taking the IAF to task for this, the CAG report says that though the first squadron of Mirage-2000s was formed in June 1985 and the second in January 1986, the required weapons were not available for training as well as for operational purposes till the end of 1987.

The CAG says there was a complete mismatch between the induction of the frontline aircraft into the service and that of weapons required for it. While the contract for the acquisition of the state-of-the-art aircraft was concluded in October 1982, the contract for weapons was concluded almost three-and-a-half years later, resulting in an inordinate delay in the availability of the weapons.

The CAG report said that for training and instructional purposes, the IAF was stated to be depending largely

upon simulation methods and dummy models. To these objections, the Defence Ministry had maintained that in September 1989 it was not possible for them to conclude a weapons contract so as to synchronize their delivery with that of the aircraft since almost all designated weapons systems were still in the development stage and not ready for production.

The report said it was only in mid-1989 that the weapons systems had fully been delivered and assimilated in the squadrons. The CAG has also rapped the Government for the absence of a specific clause in the agreement regarding the period for which the aircraft would be kept with the manufacturers and said this had led to four aircraft lying with the manufacturers for extended periods and leading to the reduced strength of the squadrons.

The CAG says that the aircraft was cleared for carrying seven weapons systems, including missiles, cluster bombs and gun systems, but said there was a delay in the delivery and integration of all these weapons systems.

The report said that due to the single supplier situation prevailing throughout in respect of all weapons and delays in the finalization on contracts, the price escalation had been to the extent of Rs 57.39 lakhs in foreign exchange.

The CAG said that the agreement signed with Marcel Dassault laid out that for carrying out integration and clearance, aircraft were to be given to the manufacturers, if necessary, but it had not specified the time period. This, it said, resulted in some aircraft remaining with the manufacturers for a period between four to 22 months and some aircraft sent in 1987 were yet to be received till October 1989.

CPI Planning New Party Constitution, Program

46001603A Calcutta THE TELEGRAPH
in English 23 Apr 90 p 4

[Article by Manini Chatterjee: "CPI, Under a New Helmsman, Seeks a Change of Image"]

[Text] New Delhi, April 22: The change of leadership in the Communist Party of India [CPI] comes at a time when the party is grappling with a severe identity crisis unleashed by the sweeping changes in socialist countries around the world, raising questions on the relevance of many Marxist precepts which had earlier been taken as accepted wisdom.

While the stepping down of Mr C. Rajeswara Rao and the appointment of Mr Indrajit Gupta as party general secretary was only expected, the most important decision of the CPI national council last week was to set up a new programme commission which has been entrusted with the task of a complete review of the CPI's understanding of socialism and its application in India.

The replacement of Mr C. Rajeswara Rao by the veteran CPI MP and trade union leader, Mr Indrajit Gupta, has been smooth because it was well known for the past two years that Mr Gupta was being prepared for the post. In fact, Mr Rajeswara Rao was set to give up the post at the CPI's 14th congress held in Calcutta in March 1989 but was pressured to stay on to steer the party through the general elections.

Mr Rajeswara Rao has been the general secretary of the party for the past 26 years and was a major figure even in the united CPI and, along with the late P. Sunderayya and the CPI(M) leader, Mr M. Basavapunniah, led the Telengana armed struggle four decades ago. He was easily the most loved and respected leader in the party and it will take time for Mr Indrajit Gupta to acquire the same stature and hold over the party organisation, it is felt.

New programme, constitution: However, the change of guard is hardly significant considering the major changes in ideology and outlook the party is now contemplating. The CPI national council meeting which ended here on April 20 has decided to appoint a "programme commission" and a commission to draft a new party constitution and both the commissions have been asked to submit their draft reports by March 31, 1991.

A programme commission had been appointed some years ago to suggest changes in the party's programme and the main controversy at the time was whether the CPI programme should be brought closer to the CPI(M) [Communist of India-Marxist] or not. The CPI(M) has consistently maintained that the main reason for the 1964 split was the programmatic differences within the party over the class character of the Indian state and the path of revolution.

The earlier programme commission headed by Mr Jagannath Sarkar submitted a draft for a new programme at the Calcutta Congress last year, but it was decided to continue discussions on the issue and hold an extraordinary Congress solely to adopt a new programme after the general elections.

However, the CPI national, council last week decided to discontinue discussions on that draft and instead set up another commission with a completely different set of terms of reference in view of the changes in the socialist countries of Eastern Europe and the Soviet Union, among other things.

The resolution on the party programme and constitution which was circulated among council members noted: "It has been increasingly felt that in view of the recent changes in the world, developments in the socialist countries and the Communist movements, and in view of the very important developments in the political, economic, ethnic and cultural fields in our own country, the party programme should be rewritten as a brief basic document."

The resolution further said, "It should outline the basic generalities about present Indian socio-economic developments, its direction and the nature, stage, strategy and tasks and the path of the Indian revolution."

The most significant aspect of the resolution states: "It should mainly outline what a programme document of our movement should contain and not overload it with historical background felt necessary earlier..."

The programme commission has been asked to submit the draft by March 31, 1991. It will then be circulated among various party units and placed before the party's 15th Congress at the end of 1991. The members of the commission are Mr Avatar Singh Malhotra (convenor), Mr Promode Gogoi, Mr A. B. Bardhan, Mr Jagannath Sarkar, Mr Y. V. Krishna Rao, Mr P. K. Vasudevan Nair and Mr M. S. Krishnan.

The commission to redraft the party constitution comprises Mr N. E. Balaram (convenor), Mr N. Rajasekhara Reddy, Mr Satyapal Dang, Ms Perin Romesh Chandra, Mr V. Bhargavan, Mr Suraj Narain Singh and Mr Kamalptai Roy.

Workings, Growth of Rashtriya Swayamsevak Sangh

46001614A Calcutta *THE TELEGRAPH* in English
19-21 Apr 90

[Article by Manini Chatterjee: "RSS Expands Base With Steady Drive"]

[19 Apr 90 p 1]

[Text] New Delhi, April 18: While the electoral success of the BJP [Bharatiya Janata Party] has received enormous publicity in the past few months, a more significant long-term development is the steady growth of the Rashtriya Swayamsevak Sangh [RSS] in the past few years with the organisation all set to reach its "take-off" point by the end of 1990.

According to well-placed sources in the organisation, the groundwork prepared by the swayamsevaks in course of the Hedgewar birth centenary year in 1988 followed by the countrywide Ramjanmabhoomi campaign through out 1989 will be converted into organisational prowess in the form of new "shakhas" by the end of this year. The RSS national executive committee meeting held in Nagpur in March not only made some significant changes at the apex level but also chalked out plans to consolidate the ideological gains made in the past two years, sources said.

The RSS celebrated the centenary year of its founder, Dr K. B. Hedgewar, by spreading his message of Hindu Rashtra throughout the country. According to estimates, the organisation reached out to around two lakh villages in the course of the year. The RSS activists, many of

whom are also members of the Vishwa Hindu Parishad at the grassroots level, helped organise shila pujas in over two lakh villages.

According to the RSS lexicon, its swayam sevaks only managed to increase "contact places" in the course of these two campaigns. A contact place is a village or any limited area where one or two swayamsevaks managed to spread propaganda and increase people's awareness and interest in the RSS philosophy.

The task this year is to convert these contact places into shakhas which will regularly impart training to interested youth and convert them from sympathisers to full-fledged members. Though there is no formal membership of the card-holding variety in the RSS, any person who attends the morning and evening classes or shakhas over a period of time is called a swayamsevak. Of 80 to 100 members of shakha, only 15 to 20 attend the shakha on a daily basis, but even those who come now and then are steeped in the RSS ideology and deemed swayamsevaks.

The RSS then runs training programmes for trainers which means that certain activists are trained by their more experienced colleagues to start and run regular shakhas. A short-term training programme is called "vistarak yojana" while the advanced training programme is termed "varg yojana." The varg yojana is further divided into prathamik shiksha varg and sangh shikha varg, with the former being the more elementary of the two courses.

After two years of local training, the swayamsevaks go for advanced training to Nagpur and are imbued with greater "ideological awareness" at the organisation's headquarters. The activists are then considered well trained and sent out throughout the country to open and maintain shakhas.

The peak season for the training programmes are during the summer vacations in May-June every year and this year too the tour programmes for all the RSS bosses and trusted trainers have been prepared for the summer. Since the RSS concentrates on the youth especially school and college students from class nine upwards, the long summer vacations are the best "shakha building" period in the year. After the various training courses are over, numerous shakhas will mushroom around the countryside and the real organisational gain of the Hedgewar centenary and Ramjanmabhoomi campaigns can only be measured over the next few months.

[20 Apr 90 p 4]

[Article by Manini Chatterjee: "RSS Plans 1000 New Shakhas in a Year"]

[Text] New Delhi, April 19: The RSS has not fixed any targets in terms of the number of shakhas it hopes to establish by the end of this year, but given the spurt in its activities in the past few years, it might reach over a thousand new shakhas. Surprisingly, the growth has been

the highest in the southern states, particularly in Kerala, and the east, including West Bengal and Orissa, and not in the states where its political wing, the BJP, has gained electoral success.

Though complete statistics have not been compiled, the RSS at present runs some 20,000 to 25,000 shakhas throughout the country which equals to about 35,000 upshakhas. Given the organisational complexity of the RSS, it is difficult for any outsider to figure out the relation between a shakha and an upshakha but, broadly speaking, it is on the basis of an area-wise unit and not on the basis of the number of members.

For instance, Ahmedabad is seen as one unit, that is one shakha, but there are 65 upshakhas (daily congregation of swayamsevaks) while in Patna one shakha equals 36 upshakhas. Delhi, however, is considered a state and, therefore, it has 100 shakhas but about 1,000 upshakhas.

On the basis of approximate statistics, if 20 persons regularly attend the 35,000 upshakhas there is an army of seven lakh full-time activists in the country. If this figure is multiplied even five times (considering that scores of swayamsevaks do not attend shakhas everyday), the present figure of swamasevaks run to an astounding 35 lakhs.

Organisational structure: Though the RSS headquarters in Nagpur has the final say in all matters, the sheer size and spread of the organisation has induced a great degree of decentralisation with local-level leaders handling training, social services and cultural aspects (a euphemism for ideological indoctrination) in their areas with little interference from the centre.

According to the loose hierarchy, the primary member is the swayamsevak and above him is the gath pramukh (head of a group of swayamsevaks) followed by a gana shikshak (teacher at a shakha), a mukhya shikshak (chief trainer) and then karyavaha (organising secretary).

All this is at the unit-level, and above the local karyavahas are the nagar karyavaha, headed by nagar karyakari mandal (executive committee) comprising some 10 to 12 members. There is similarly, a district karyakari mandal, a prant karyakari mandal and kendra (central) karyakari mandal.

At the shakha level, three kinds of training are imparted—physical, mental and intellectual—and there are separate teachers for these. Mental training includes imparting “moral values,” while intellectual training deals with the concept of the nation (Hindu rashtra), India's ancient heritage and the need to “rebuild” the nation on the basis of its past glory. The physical training is aimed at building the vanguard which will usher in the new society.

Among the thousands of swayamsevaks, only a small percentage become wholetimers who are known as “pracharaks.” However, all wholetimers do not remain so for a lifetime and many go back to “family life” and remain

just swayamsevaks. At present, there are about 2,000 pracharaks in the RSS though over 10,000 persons have been pracharaks at some time or the other. For instance, the BJP president, Mr L. K. Advani, had been a pracharak for many years but is no longer one today.

[21 Apr 90 p 4]

[Article by Manini Chatterjee: “RSS Loosening Nagpur Moorings”]

[Text] New Delhi, April 20: The national executive committee meeting of the RSS in Nagpur this March is considered significant not only because the leadership formulated plans for organisational growth but also because of the changes at the top which represents a gradual shift away from Nagpur.

The RSS as an organisation has its roots in Nagpur and the top leaders have been known as the “Nagpur Brahmins.” All three RSS chiefs so far—Keshav Baliram Hedgewar, Madhav Sadashiv Golwalkar, and Balasaheb Deoras have been Nagpur Brahmins and other top posts have also gone to their brethren from this cradle of the Hindu rashtra concept.

However, at the March meeting, where a reshuffle of top posts took place, some non-Nagpur persons have also been inducted. According to RSS sources, this is an important development because it reflects the growth of the RSS in hitherto virgin areas, particularly in the south. The RSS is trying to shed its image of being a close knit organisation controlled by Maharashtrian Brahmins, but project itself as an all-India outfit devoted to Hindu revivalism, the sources said.

The changes show the continuing influence of the Nagpur Brahmins but the very fact that three or four non-Nagpuris are in the top leadership are seen as a major change by RSS wholetimers.

The top leadership comprises about 10 men, the chief of whom is the sarsanghchalak, Mr Balasaheb Deoras. He is assisted by one sarkayavaha (general secretary) who in turn is assisted by two sah sarkayavahas (joint secretaries). After the reshuffle, Mr H. V. Sheshadri has been appointed the general secretary while the two joint secretaries are Mr Rajindra Singh and Mr K. S. Sudershan. While Mr Singh is from Uttar Pradesh, Mr Sudershan, originally from Karnataka, has spent most of his life in Madhya Pradesh. They have been in the top positions for many years now.

Besides these four men, the other top posts are prachar pramukh (who heads all the pracharaks or wholetimers), sharirik pramukh (the chief of the physical instructors), baudhik pramukh (in charge of all intellectual training) and vyavashta pramukh (in charge of organisational matters). All these all-India pramukhs are assisted by sah pramukhs.

As per the changes, the prachar pramukh is Mr Abaji Thatte (from Nagpur), the sharirik pramukh is Mr

Suresh Rao (from Bombay), the baudhik pramukh is Mr M. G. Vaidya (Nagpur) and vyavashta pramukh is Mr Keshav Rao Gore (again from Nagpur).

The two sah baudhik pramukhs are Mr R. Hari (from Kerala) and Mr Kaushal Kishore (from Delhi) while the sah sharirik pramukh is Mr Mohan Rao Bhagwat (from Nagpur). Three former office-bearers who are now the seniormost members of the powerful 90-member or so working committee are Mr Bhaorao Deoras, Mr Yadavrao Joshi and Mr Moro Pant Pingle, all from Nagpur.

[Concluding installments in this series have not so far been seen in issues of THE TELEGRAPH received in JPRS].

Murdered Harijan's Widow in Delhi To Seek Help

46001608A *Calcutta THE STATESMAN*
in English 10 May 90 p 7

[Article: "Murdered Harijan's Widow Pleads for Help"]

[Text] May 9—From Chamaron-ka-Dera in Satodharampur village in the Fatehpur district of U.P. [Uttar Pradesh], the Prime Minister's constituency, she has come to New Delhi looking for safety.

The 22-year-old Kuchi Devi, who is pregnant, saw her husband, Dhanraj, 26 being burnt alive in her village on April 5. She has not got over her trauma and frequently broke down as she recalled the incident in the Congress(I) headquarters in New Delhi on Wednesday evening.

Speaking in Avadhi dialect, she replied that she did not know who the Prime Minister of the country is. She has not heard of Mr V.P. Singh. She had not voted in the last elections because she was not on the voting list. She had come to Delhi in the company of Mrs Krishna Rawat, a former Congress(I) MLA [Member of Legislative Assembly] from U.P. and hopes to meet the former Prime Minister, if not the present one.

She said that a five-litre can of kerosene was poured on her husband and then he was set on fire. He died the next day in a private nursing home in Fatehpur without his dying declaration being recorded.

Kuchi Devi said that three men were involved in killing her husband. "While Gulab Singh caught my husband, Raju lit the flame after Arjun Singh gave him the match box". She said that her husband was first dragged from her home and beaten up mercilessly by Arjun Singh and his men on the charge of stealing Rs 50. She had followed him pleading on his behalf.

Though she was an eye-witness to the murder, [the] police surprisingly has not recorded her evidence, according to Mrs Krishna Rawat. She said that she is demanding a judicial inquiry into the whole episode. Mrs Rawat said that Kuchi Devi, a Harijan, had received

only Rs 6,000 as compensation, which includes Rs 2,000 for cremation expenses. Another Rs 4,000 has been given to her in-laws. She demanded that she be given at least Rs 100,000 as compensation.

Kuchi Devi is unsure where she will go. "I will go where it is safe for me", she whispered.

Mrs Rawat said that those present at the police post in the village first refused to respond to the pleas of Dhanraj's brother who went screaming there for help. The brother, Ram Khilawar, was told that Dhanraj had a charge of theft against him and was probably drunk and therefore deserved a beating. Mrs Rawat quoted the district magistrate whom, while consoling Kuchi Devi for her loss, told her not to worry as she could get remarried. "This custom is prevalent amongst you", she was told.

Mrs Rawat said that after the incident was highlighted, two of the three culprits surrendered to the police. The main culprit, Arjun Singh, she said, had not been charged.

Mrs Rawat also alleged police connivance in not recording the dying declaration of Dhanraj. She said that while the incident happened between 6 and 7 p.m. on April 5, Dhanraj died at 2 p.m. on April 6.

Special Courts Set Up To Try Communal Cases

46001585A *Calcutta THE SUNDAY STATESMAN*
in English 8 May 90 p 7

[Article: "Special Courts for Communal Cases"]

[Text] New Delhi, May 5—Special courts have been set up in Delhi, Meerut and Bhagalpur to deal specifically with communal cases. This was mentioned when the Cabinet Committee on Minorities Welfare met here yesterday under the chairmanship of the Prime Minister, Mr V. P. Singh. The other Ministers who attended the meeting were Mr Madhu Dandavate, Union Finance Minister, Home Minister, and the Minister of Labour, Mr Ram Vilas Paswan. The committee was reviewing the 15-point programme on minorities welfare.

Three special courts have been set up in Delhi, four in Meerut and six in Bhagalpur. Specific cases are in different stages of processing and these were being sent to the special courts. For instance, in Delhi, the special cell set up in the Home Ministry is regularly monitoring the progress of work in the 88 cases of riots pending before the special courts and 1,200 more cases to be transferred to special courts.

Revised and comprehensive guidelines have been drawn up by the union Government regarding preventive and post-occurrence measures to deal with communal incidents. These are being sent to the State Governments for compliance.

The Cabinet Committee also discussed the question of ensuring the composite character of society as far as

recruitment to the security personnel and the police force was concerned. Instructions have been issued to the State Government to follow the guidelines in this regard. The recent meeting of the director-general of police also discussed the proposal.

One of the 15 points related to technical education and pre-examination training. The proposal is to establish polytechnics in minority concentration districts. The establishment of eight polytechnics has been sanctioned during 1989-90 and the 21 existing ones would also be brought under the scheme during 1990-91.

Tamil Nadu Sets Terms for Repatriation From Sri Lanka

46001583A Bombay *THE TIMES OF INDIA*
in English 9 May 90 p 24

[Article: "TN Sets Terms for Repatriation"]

[Text] Madras, May 8 (PTI). The Tamil Nadu government will not be in a position to take on the additional burden of about 1,00,000 plantation workers of Tamil origin in Sri Lanka unless the nearly 1,00,000 refugees from the island nation, now in various camps in the state, returned home, the state chief minister, Mr M. Karunanidhi, said today.

After ethnic riots broke out in the island in 1983, over 1,00,000 refugees had come to Tamil Nadu and the late chief minister, Mr M. G. Ramachandran, had written to the then Prime Minister, Mr Rajiv Gandhi, in February 1986 expressing the state's inability to take in the plantation workers until the refugees returned to Sri Lanka.

"The present DMK [Dravida Munnetra Kazhagam (Dravidian Progressive Foundation)] government is taking the same stand," Mr Karunanidhi said, replying to a point of order raised by Mr W. R. Varadarajan (CPM).

Mr Varadarajan said the Sri Lankan minister, Mr Ranjan Wijeratne, had stated recently that the about 1,00,000 plantation workers on the island would have to go back to India and if they failed to do so, they would lose their jobs. The workers now had a sense of insecurity, the MLA [Member of Legislative Assembly] said and wanted to know the government's stand on the matter.

Mr Karunanidhi said there were nearly 9,75,000 "stateless persons" in Sri Lanka as on October 31, 1984. Under two agreements reached subsequently, India was to take back 506,000 persons, of which 3,34,000 had already arrived, leaving 1,72,000 yet to return, particularly to Tam Nadu. The government was not able to take on this burden as "it would involve problems like accommodation and rehabilitation," the chief minister added.

The problem has been brought to the notice of the Central government. The state chief secretary had briefed the Union home secretary about the problem and

"we will continue to impress on the Centre that the state government will not be able to take on this additional burden now," Mr Karunanidhi said.

Ramanathapuram (PTI): The Sri Lankan minister for rural industrial development and president of the Ceylon Workers Congress (CWC), and the Sri Lankan government. He recalled that even Nehru had expressed the view that India would accept people of Indian origin in Sri Lanka if only they came voluntarily.

He told newsmen at Thirupattur yesterday that no unilateral decision could be taken by individuals on the issue since there was an understanding between the CWC and the Sri Lankan government. He recalled that even Nehru had expressed the view that India would accept people of Indian origin in Sri Lanka if only they came voluntarily.

He suggested that India and Sri Lanka hold discussions on the repatriation issue in the present context as the conditions prevailed in 1964 when the Sirimavo-Shastri pact was signed were entirely different.

Agricultural Panel's Recommendations Reviewed

46001596A Calcutta *THE TELEGRAPH*
in English 1 May 90 p 8

[Article: "Food Output To Be Doubled in 15 Years"]

[Text] New Delhi, April 30 (PTI, UNI): the high-power committee on agricultural policies and programmes has called for a series of measures, including evolving a new food security system, a department of farm exports, a scheme of model small farmers and an employment guarantee programme for the villages to change the rural economy.

The committee has also recommended doubling of the agricultural production during the next 15 years with an annual growth rate of 4.7 percent to revitalise the economy of the rural areas.

The committee has made a strong plea for doing away with what it described as the present "bureaucracy-propelled development strategy" and replacing it with participative development strategy by encouraging and training rural people to look after their own affairs.

The chairman of the committee, Mr Bhanu Pratap Singh, released to the press as many as 28 "interim suggestions" of the committee. He said the committee would submit its final report to the government by middle of June.

The committee has commented adversely on the way the integrated rural development programme was being run saying that though the programme has now been going on for more than a decade, its results have been disappointing.

"The attempt to develop cash crops, or supplementary enterprises, haphazardly as at present, under the IRDP

[Integrated Rural Development Program]—providing a few hens to one farmer, a cow to another and a few pigs to yet another—is doomed to failure,” it said, pointing out that the correct model of development in this regard has been provided by the dairy development project in Gujarat.

Making a strong plea for a department of farm exports in the ministry of agriculture, the committee said this was needed to provide necessary leadership, stock taking and planning to boost such exports.

The committee especially stressed the need for promoting exports of coarse grains, which is mostly produced by the dryland farmers.

According to the committee, doubling of production would demand doubling the rate of capital formation in the farm sector and special efforts to raise foodgrains production in food-deficit states.

Later, Mr Singh told newsmen that he also wanted earmarking of at least one-third of the bank credit and power supply for villagers.

He proposed minimising the expenditure on wasteful and non-productive schemes.

Indigenous Superconducting Quantum Interference Device

46001610A Madras *THE HINDU*
in English 2 May 90 p 6

[Article: “Indigenous SQUID Developed”]

[Text] New Delhi, May 1. Working against a deadline of March-end 1990, an inter-laboratory programme of the Council of Scientific and Industrial Research (CSIR) has successfully developed the first indigenous Superconducting Quantum Interference Device (SQUID), using high temperature superconductor (HTS) material.

In a demonstration arranged for the press on Monday, Dr A. P. Mitra, Director-General of the CSIR, said that this joint project among four CSIR laboratories was started in January 1989. The laboratories associated with the development of this HTS SQUID are: the National Physical Laboratory (NPL), New Delhi, the Central Electronic Engineering Research Institute (CEERI), Pilani, the Central Glass and Ceramic Research Institute (CGCRI), Calcutta, and the Regional Research Laboratory (RRL), Trivandrum. Dr A. K. Gupta of the NPL coordinated the project.

The SQUID is based on the so-called “Josephson Junction” property of superconducting materials and can be used for sensing very minute changes in the magnetic field. This device forms the basis of an important class of applications of superconducting materials, called magnetometers. Apart from this use, SQUIDs ability to

detect small magnetic flux changes is also used in medical application known as magnetic cardiography (MCG)—a technique analogous to electrocardiography (ECG).

Variety of applications: SQUIDs based on conventional low temperature superconductors (LTS)—those operating at liquid helium temperatures of about minus 269°C or 4.2 K have been used in a variety of applications such as detection of small magnetic fields associated with heart and brain, prospecting oils and minerals, non-destructive testing and ultra-low frequency communication between submarine and the ground base.

However, even though SQUID-based instruments have been around for more than 20 years, the use of LTS SQUIDs was limited owing to problems of high cost and the technological complexity of using liquid helium as the refrigerant. The discovery of HTS materials in 1987, which became superconducting at higher temperatures of 77 K and above, opened up the possibility of using the more abundantly and cheaply available liquid nitrogen.

Loop of superconducting material: A SQUID is basically a loop of superconducting material with one or more junctions along its length which constitute the so-called (weak link) Josephson Junctions (JJs). If such a superconductor ring is placed in a magnetic flux filled region, the supercurrent flowing through the device acquires an oscillating behaviour with a frequency that is dependent on the magnetic field strength. This periodic dependence of current on magnetic field is the basis of all SQUIDs. Both DC SQUIDS and AC SQUIDS in particular rf SQUIDS, are in use.

HTS materials are granular in nature and these superconducting grains provide natural weak links or JJs in these materials. These inherently present JJs can be exploited to make a SQUID operating at liquid nitrogen temperature of 77 K. At the same time, it must be kept in mind that these random grain junctions contribute to the overall noise of an HTS SQUID, the sensitivity of a SQUID being critically dependent on the signal to noise ratio. This problem makes fabrication of an HTS SQUID particularly difficult using bulk HTS material.

Based on YBCO: The SQUID developed by the CSIR laboratories is an rf SQUID based on the HTS material yttrium-barium-copper-oxide (YBCO) which remains superconducting up to about 90 K. A ‘contact’ weak link contact was set up over an area of micrometer size with the help of fairly large sized grains and the overall size of the SQUID is about three mm with the internal hole having a diameter of 0.9 mm. It can be operated above 20 MHz rf. The YBCO is deposited on a substrate made of barium-strontium-titanate. Expertise available in the RRL and the CGCRI was utilised to make the substrate whose price in the international market is said to have shot up after the advent of high temperature superconductivity.

Magnetic fluid sensitivity: The magnetic flux sensitivity of the NPL-CEERI-RRL-CGCRI SQUID is of the order

of 6×10 to the power of minus 15 Tesla above 100 MHz rf. (Earth's magnetic field is about 10 to the power of minus 5 Tesla). The magnetic flux densities associated with brain signals are of the order of 10 to the power of minus 19 Tesla. Epileptic and heart disturbances cause flux changes of the order of 10 to the power of minus 10 to 10 to the power of minus 11 Tesla. The sensitivity limit of conventional LTS SQUID, which operates at liquid helium temperatures, is about 10 the power of minus 17 to 10 to the power of minus 18 Tesla.

The random of white noise owing to randomly oriented intrinsic weak links of the HTS material does exist, but the signal to noise ratio is fairly good, Dr Gupta said. However, Dr Gupta added that, at low frequencies below 20 MHz, the so-called $1/f$ noise dominates and so the device cannot be used in this range. Further, the device has been operating without any encapsulation are fond to be very stable over a month as long as it was maintained at liquid nitrogen temperatures. These HTS materials are generally known to be extremely vulnerable to slight changes in environmental conditions.

Thin film SQUIDS: The next phase of the CSIR SQUID project is to fabricate thin film SQUIDS, where the HTS material would be deposited as a thin film on the substrate by any of the techniques now followed in this game of high temperature superconductivity. In particular, the expertise available at Poona University and IIT [Indian Institute of Technology], Delhi, in thin film deposition by laser ablation technique is likely to be utilised, Dr S. K. Joshi, Director of the NPL said. In addition, facilities are being set up at the NPL and the CEERI for thin film deposition by "core evaporation technique" with an investment of about Rs 1 crore.

According to Dr Gupta, efforts to fabricate SQUID using biomuth-oxide based HTS materials, which have a higher superconducting temperatures of around 125 K, have not been very successful because, for some reason, a good modulating behaviour of the supercurrent could not be maintained in the device above 50 K.

Dr Gupta said that the first prototype of a thin film SQUID would be delivered in one and a half years. Asked about going in for large scale production, Dr Joshi pointed out that commercialisation requires participation of enlightened industry. In this context, the role of the Programme Management Board (PMB) of the National Superconductivity Programme (NSP), in which some industries are participants, might become important. However, right now, in the wake of the coming of the new Government, this PMB, headed by Prof C.N.R. Rao, is about to be restructured. The PMB is likely to be amalgamated with the Apex Body which was formerly headed by the then Prime Minister.

Basu Writes on East Europe's 'Dangerous Path'

46001593A New Delhi PATRIOT in English
2 May 90 p 6

[Article: "No Negation of Marxism in East Europe: Basu"]

[Text] Calcutta, May 1 (PTI)—West Bengal Chief Minister Jyoti Basu has said that the political changes in East European countries did not repudiate the basic tenet of Marxism-Leninism that the real solution lies in a classless society.

"The people in the socialist countries of East Europe want to take the capitalist path relying on the United States and international financial institutions controlled by colonial powers. I think the path the people of these countries are trying to move along will not help the solve their problems", Mr Basu said in an article published in the CPI-M daily GANASHAKTI today.

"It will take time for the people of these countries to get disillusioned and abandon the wrong path", the article "May Day Centenary and Our Duty" said.

Mr Basu said "it is true that a number of errors were made in running the socialist states in East Europe and that the struggle for propagating socialist ideology was not carried on resulting in loss of links with the masses. But the path the people there now want to take is more dangerous".

"The events in East Europe do not constitute a negation of the ideology which says that the real solution lies in a society free from class divisions and exploitation", he said.

"We will learn from these countries, events and experiences. If we commit a mistake, we will try to rectify it. If there is any weakness, we will try to remove it", the CPI-M leader said and added that "what is most important is the contact with the people".

In an apparent reference to Ananda Margis, Mr Basu cautioned the people against pseudo-religious organisations which believe in violence and murder. Foreign powers are behind these organisations which speak of eliminating the communists.

He said the tradition of communal amity in West Bengal should not give rise to complacency and the people would have to be ever-vigilant against such organisations.

Pondicherry: May Day was celebrated in Pondicherry today with enthusiasm.

Flags of workers' unions and political parties championing the cause of the workers fluttered throughout the town.

Madras: The inauguration of a May Day memorial pillar by Tamilnadu Chief Minister M. Karunanidhi at the

Napier Park here was the highlight of the May Day celebrations in the State today.

The memorial, which is said to be the first ever in the country, was put up by the State Government.

Rallies and public meetings were organised by the Centre of India Trade Union (CITU) in different parts of Himachal Pradesh demanding raising of the minimum statutory daily wage for the workers, a report from Shimla said.

IRAN

Minister Outlines Government's Production Plans

46000123B Tehran KAYHAN INTERNATIONAL
in English 9 Jun 90 pp 1-2

[Text] Tehran, 8 Jun (IRNA)—The production output of the factories affiliated to the heavy industries ministry was about 26 percent of their nominal capacity in the calendar year of 1367 (1988-89), and 30 percent in 1368, due to the Iraqi war and other issues, minister of heavy industries, Muhammad Hadi Nejad-Husseinian said here Thursday.

'The first step of the new (President Rafsanjani's) government was to put production factories into operation,' Nejad-Husseinian told foreign and local reporters.

He said in 1988 a total of \$500 million was spent on the purchase of raw materials and semi-manufactured parts needed for the heavy industries.

Some \$300 million went to the raw materials in the first half of the 1368 calendar year (21 March-22 September 1989), while the new government added \$1.4 billion to the amount in the second half of the same year.

'In general \$2.45 billion worth of raw materials were purchased by the ministry in the calendar year of 1368 (1989-90), four times as much as that of the preceding year,' he said.

Nejad-Husseinian said the hard currency quota of the heavy industries is \$2.4 billion in the current year (1990-91), of which \$1.3 billion has been earmarked for the capital industries, \$0.85 billion for the intermediary industries and \$0.25 billion for the consumer industries.

'In the wake of the allocated quota all factories will be working in a complete shift, and most of them in long shifts and some of them in double-shift,' said the minister.

He estimated the added value of the heavy industry sector at 500 million rials (more than \$7m) in the current calendar year. '\$120 million has also been allocated for the purchase of the materials needed for the small production units in the provinces,' he said.

An annual revenue of \$15 billion has been predicted for the first five year plan, however, it would probably go down to \$10 billion in the wake of the recent oil price cut.

Asked if this would hinder the implementation of the plan, he replied that oil prices have some fluctuations in particular seasons of the year. While Iran has solved the problems relevant to the oil production to some extent and has now a higher exports capacity, it has put into operation most of the industries halted because of the war.

'These industries have now been reconstructed, like petrochemical industries, and the country is now saving the foreign currency which was spent on importing goods manufactured in these industries. In all I think problems would be much less this year as compared with the previous year,' the minister said.

Asked about Iran's agreement with the Italian Fiat company for the manufacture of cars, he said Fiat expressed keenness to cooperate with Iran during the recent Iran-Italy joint commission meet in Rome.

'We inked a letter of understanding with the company, and invited them to put forth their proposals, however, talks are underway with three other car manufacturing companies as well.'

On the Iranian experts abroad Nejad-Husseinian said some of them had left the country because of the Islamic Revolution and the war, but with the reconstruction period starting, most of them are returning home in the light of the government's new policies.

'We know that we can absorb them because they love their country,' he added.

In response to a question as to whether Iran cancelled the agreement with the French Peugeot, Nejad-Husseinian said the contract has not been cancelled and that negotiations with the company still continue.

The contract was inked when the currency quota of the car manufacturing sector in Iran was limited, and the price and distribution was controlled, he said.

However, the sector is now using currency at the competitive rates, and the government has exempted the production of cars from distribution and pricing limits.

'Therefore, most logical grounds have been prepared for investment on the car manufacturing sector, and we have called on the Peugeot to announce their new conditions, and it has promised to do so.'

Chairman of ICR Interviewed

46000123A Tehran KAYHAN INTERNATIONAL
in English 9 Jun 90 pp 1, 12-13

[Interview with Engineer Mahdi Chamran, Chairman of the Second International Conference on the Reconstruction of the War-Damaged Areas]

[Text] Tehran, 8 Jun (KAYHAN INTERNATIONAL)—Chairman of the Second International Conference on the Reconstruction [ICR] of the War-Damaged Areas (to be held on 5-25 Jan. 1991), Engineer Mahdi Chamran, in an exclusive interview with KAYHAN INTERNATIONAL emphasized that proper planning based on expertise, is a must for reconstruction of the war damaged areas.

Engineer Chamran, an academician from the University of Tehran answered questions with regard to the aims of the conference, problems facing reconstruction, the status of rebuilding efforts, reconstruction cooperation with foreign countries and other related questions.

[KAYHAN INTERNATIONAL] What are the aims and purposes for holding the 2nd International Conference on Reconstruction of the War-Damaged Areas?

[Chamran] We are pursuing two major general purposes. The first aim is to understand that reconstruction is not a new phenomenon that we are facing for the first time in the history of our country. Other countries also have experiences in this regard, particularly after World War II and due to the occurrence of natural catastrophes such as earthquakes, tornadoes, typhoons and etc., a large number of countries gained useful experience in relation to reconstruction. Thus our primary objective has been to use all those practical and scientific experiences in the field of reconstruction.

Here I would like to emphasize that we do not want to beg others for technical assistance in reconstruction. It is not like we think that we have a problem and have to ask a doctor to write us a prescription, then we get that prescription and blindly follow and implement it 100 percent. In that way can we carry out our reconstruction projects? Surely this is not our aim.

We know that reconstruction is a task which should be based on scientific principles. We know reconstruction is a subject that without proper planning and thinking, is impossible to implement it. Reconstruction needs huge sums of money and if we don't properly plan and think this out, the rebuilding of the war damaged areas will not be correctly completed. Therefore, it is necessary for us to exploit others' experiences or at least become familiar with others' reconstruction experiences.

Now whether we want to use them or not, we must study what the other countries did with regard to their rebuilding projects and then we draw our own reconstruction plans according to the nature of our country, the needs and aims of our Islamic Revolution as well as the needs of our country's political, climatic, economic, and human conditions. Meanwhile, we get what we can

from external experiences, but we should not copy a written prescription and implement what foreigners dictate to us. Rather, we want to learn. It is our national and Islamic duty to get acquainted with successful foreign reconstruction and related scientific experiences. We must even understand their bad experiences too, because while we can test and implement their positive know-hows, we can prevent and not repeat their mistakes.

For example we see in Germany large forests were destroyed after the end of World War II and apartments were built. In those newly constructed urban areas, man was considered like a machine and now the residents of those areas face psychological and internal illnesses. We must use this experience and see if it is good or bad to rebuilt prefabricated towns and cities for Iranians who are Muslims and live according to special Islamic traditions. We want to use both the positive and negative experiences of the foreign countries with regard to post war reconstruction.

The other important topic which will be introduced during the 2nd reconstruction conference, is that the reconstruction of the war damaged areas is one of the criterion by which the Islamic Republic that will be evaluated at the international level with respect to how we are able to conduct our own affairs.

If we succeed in carrying out a successful reconstruction, many of our Islamic Revolution's objectives will be achieved and the export of our revolution—and by export of the revolution, I mean the real and moral export of the Islamic Revolution and not the export of slogans—will be carried out throughout the world. The world would see that the Iranian people, who have suffered from a war, economic difficulties and have many other problems with which the other countries did not help them, have succeeded to stand on their own feet and according to their own plans and by using scientific experiences of others as well as themselves, successfully implemented their reconstruction projects. This would be a practical demonstration and there will not be any need for shouting slogans or publicity. When we practically implement our reconstruction projects, that would mark a victory for the Islamic Republic and the Islamic Revolution in the world. Therefore since this is a very important matter, we put more emphasis on experience.

The other objective which is important and which we will pursue in the forthcoming conference is that we have a lot of reconstruction experiences of our own. During the course of the Iraqi imposed war, we experienced and implemented some successful reconstruction projects. Other countries did not have such experiences. For some years, we implemented some superb reconstruction projects. Many of our damaged industrial, commercial and residential units in various cities and towns were immediately reconstructed following air and missile attacks. Now, there are a few signs or there are not at all, any signs of war damages in the cities of Dezful or Ilam.

Some areas were not only reconstructed but also renovated even better than their pre-war conditions. Therefore we have this experience of war time reconstruction. We can offer our experience to other states and also mingle others experience with our own experience and achieve a good result in respect to reconstruction.

With regard to technology and using modern technology for reconstruction, I have to admit we may have some weaknesses. During the war, perhaps, sometimes we did not have contacts or we had less contacts with foreigners in relation to reconstruction technology. Therefore the conference will help us to get acquainted with the latest related technological achievements. Again receiving information does not mean we should immediately implement it.

Rather we should study and see if it is correct and compatible with our own plans, then we should exploit such technologies.

Of course during the conference a large number of foreign university professors and experts, as well as domestic academicians will tour the reconstructed areas and they can evaluate what have been done. When we were talking about the 2nd reconstruction conference with President Rafsanjani he told us that the works which had been completed should be reviewed at the conference. The president said that talking about the completed projects is valuable.

We have a four day tour of the war damaged areas, including the reconstructed and unreconstructed areas so the guests can observe closely and study our reconstruction achievements. Then they will be able to draw conclusions or make criticisms which would be useful, constructive and helpful for us to achieve our goals.

[KAYHAN INTERNATIONAL] Does the conference include the reconstruction of industrial units such as oil refineries and factories?

[Chamran] The conference includes all aspects of reconstruction. But reconstruction of petroleum refineries or similar units, are more well defined. Due to their industrial character, the rebuilding of such units follows certain procedures according to which they must be reconstructed or renovated. The reconstruction of industrial units is included on the agenda of the conference. It is up to our industrial experts if they have something to offer to the conference. Probably some experts and officials would introduce papers and reports about reconstruction of industrial units at the conference.

[KAYHAN INTERNATIONAL] What is your overall assessment with regard to the achievements of the 1st International Conference on Reconstruction of the War-Damaged Areas?

[Chamran] The first conference was held under the war time conditions after the shooting down of the passenger plane in Khuzestan by Iraqi fighter planes and also coincided with Iran's major operation code named Val

Fajr 8, as well as the conquest of the Faw peninsula. Therefore, due to war dangers, many of our guests had a fear of coming to Iran. But because of our excellent communication efforts and the conference's scientific and experimental values, the conference received a relatively good welcome.

In addition to the large number of domestic research papers more than 100 research articles were sent to the conference by foreign experts. Receiving such a large number of research papers was good for the conference. The scientific board of the conference studied all the papers and chose 45 of them and invited the authors of the papers to Iran. All the guests who came to Iran had already presented their papers to the conference.

The conference lasted for 10 days. The conference's spent four or five days in the war damaged areas while the enemy fighter planes were flying over their heads. In Susangerd (Khuzestan Province), Iraqi planes bombed the area while the guests were there. We went to areas close to the Majnoon Islands. We toured Khorramshahr highway and a number of other places in the war areas. The tours were very interesting for the guests, although they were worried, but gradually they became prepared for going to war areas. Even they suggested us to go to Khorramshahr, though we did not deem it advisable to arrange the tour under condition wherein the port city was under heavy artillery and air attacks.

Experts from 26 countries had participated in the conference from North America, European, African and Asian countries. The achievements of the conference were published in a book in the Persian language and the English version of the book is ready for print and it will be published within the next two months. The first conference helped us in reconstruction planning. We sent copies of the book to all people who are involved in reconstruction affairs in Tehran and other provinces, as well as Iranian embassies in foreign countries so if any body wants to use it, he or she can also send a condensed version of the book to the Islamic Republic officials, so they can use the results of the conference, too.

We hope they use the book even more than before, because the first conference was good and could have provided even better fruits.

[KAYHAN INTERNATIONAL] What is your overall assessment in relation to the current trend of reconstruction of the war damaged areas?

[Chamran] I cannot give a straightforward and decisive assessment in this respect, because reconstruction is vast. What people expect is that they do not want to see any damaged areas after two or three years. But this is not possible. First of all, we believe reconstruction must be implemented rapidly, but not hastily. Reconstruction must be carried out quickly, but this does not mean it should be implemented with hastiness. This is an experience gained by those countries which had undergone hasty reconstruction. Now they say they wish they had done this job in another manner.

We have considered a proper time schedule. This does not mean we wait years upon years, while our war refugees are hanging around in other towns and cities of the country. For reconstruction we believe that we can have rapid and correct planning. We can use experts and those who love to work in the field of reconstruction. We have a plan to use more of the expertise of the university professors, so they can contribute their scientific achievements and views. Then the executive officials will evaluate those views and review and correct them if necessary to see if they can implement them or not.

There has been some reconstruction in some provinces and some projects are about to finish, but a number of big cities and some villages have not yet been reconstructed, mainly due to military reasons or lack of planning.

If then, we were able to implement the achievements of our first conference, we were able to obtain better results. We can say that our reconstruction has not been so significant but huge efforts have been exerted and these efforts should not be ignored. Perhaps because under the then existing conditions, better reconstruction projects could not be implemented. Now we emphasize scientific forces as well as flexible planning, not pre-fabricated planning. We should draw plans and implement reconstruction taking advantage of the local people's opinions, as well as their expertise and labor for reconstruction purposes and planning. Surely if people see that they are asked for expert assistance, not just financial or labor assistance, this will help to implement reconstruction in a better way.

The members of the scientific board of the conference also suggested that a reconstruction mobilization organization should be formed so that forces like the army or Islamic Revolution Guards Corps (IRGC) could be used for reconstruction purposes, but according to proper planning and decisive management. This could eventually lead to successful implementation of rebuilding projects.

[KAYHAN INTERNATIONAL] What are the major existing problems with regard to the reconstruction issue?

[Chamran] I see only problems related to management, those who are in charge of reconstruction affairs must have both strong management skills as well as superb planning ability. First of all there are plans for reconstruction, but these plans are not coordinated and they do not have strong management. The non-existence of coordination among the organizations in charge of reconstruction also inflicts damage on the reconstruction activities. There are efforts underway to coordinate the activities of various organizations engaged in different parts of the war damaged areas. Eventually the reconstruction process will be implemented in a better way.

Of course financial problems, lack of construction materials and similar difficulties could add to our existing problems.

[KAYHAN INTERNATIONAL] To what extent do we need foreign help?

[Chamran] In terms of finance, we must not expect foreigners to help us at all. We should forget foreign countries' financial assistance because such help would not be practically useful for us. We also reject the idea that foreigners come to Iran and implement their proposed reconstruction projects or grant us loans. But we will use modern technology which does not belong to any particular country. It is like medical science. When something new is achieved in regard to medical science in some corner of the world or in a country which may be our enemy, we don't say we are not going to use that achievements. Such achievements belong to all people of the world. Therefore Iran has to be pioneer country in respect to using modern reconstruction technologies.

[KAYHAN INTERNATIONAL] You are emphasizing proper planning. Surely every plan needs a time schedule. In your opinion how long will it take to reconstruct all war damaged areas?

[Chamran] It may take years to complete the actual reconstruction of war damaged areas. The concept of reconstruction that we want does not mean to return the war damaged areas to pre-war conditions, because nearly 10 years have passed since the war began. During the past decade not only have other cities in Iran have made a lot of progress, but also the world has made enormous advancement.

In addition, the war damaged cities and villages had urban difficulties of their own from the time before the beginning of the Iraqi imposed war. There were infra-structural plans for eliminating these deficiencies. Now that these cities or villages are either ruined or half ruined, we will try to reconstruct them properly so the urban deficiencies would be eventually eliminated, while we plan for future expansion of the cities, too.

Currently there is a discussion in Europe which is called the missed opportunities. The argument is based on the fact that they could reconstruct their war damaged areas in a better way, but they did not and missed the opportunity to do so. Thus we have to take into consideration that if we are reconstructing a war damaged city, what will be that city's needs in terms of urban development and expansion during the next 15 years. Also when the newly reconstructed city wants to expand, the prime fabric of the city does not change. Therefore plans for future developments should go along with reconstruction.

[KAYHAN INTERNATIONAL] In your opinion, by what means should the government persuade war refugees to go back to the war damaged areas?

[Chamran] First of all our war refugees have deep sentimental attachments to their hometowns and villages. They would all like to return to their cities and homes. The problem that our officials face is that the war refugees want to go back to their homes but the officials

say that the cities and villages are not ready to accept them. The important point is that the job issue in the war damaged areas should be solved first. That means agriculture, industrial and economic problems should be solved.

There was this argument that in the war damaged villages, there is no need for reconstruction of houses and generally the reconstruction of war torn areas is not merely the rebuilding of destroyed houses, rather it is the revival of various sorts of economic activities in the war damaged areas. This means we should first revive the agricultural lands and provide water and other facilities so the lands would be prepared for farming. In this way when a farmer goes back to his home village he will rebuild his own home, himself and he does not need anybody to construct a home for him.

If the economy of the war damaged areas is revived, the problem of reconstruction will be solved automatically. For example most of the houses in the Khuzestan Province are made of simple construction materials which are in abundance in the region. The local rural Khuzestani residents build their houses so simply that usually after one or two years they have to build a new home. So the reconstruction of residential units is not a major problem, rather the revitalization of the economy and job creating centers must be given the prime priority both in the rural and urban areas.

Second International Conference on Reconstruction of the War-Damaged Areas - 5-15 January 1991

The acceptance of the United Nation Security Council's Resolution 598 and the complete readiness of Iran for a just and permanent peace in the region, has opened up a new era in the course of the imposed war. This intensifies the critical issue regarding the reconstruction of the war-damaged areas. The imposed war has resulted in homelessness of millions of people, and the destruction of hundreds of thousands of residential, commercial, industrial, agricultural and public facilities. Therefore, comprehensive planning for reconstruction is needed; and should be based on proper policies, the experiences of other countries, and the appropriate technology. Any success in the reconstruction efforts will reflect the achievements of a revolutionary movement; as well as the self-motivated, highly-intellectual, and professional qualities of the authorities and people. Such a vast reconstruction process possesses great significance and value. Thus, careful thought, planning and proper implementation methods are regarded as the most important factors in the reconstruction of the war-damaged areas.

Fortunately, the First International Conference on the Reconstruction of the War-Damaged Areas which was held at the University of Tehran from 6 to 16 March 1986; and other conferences which were held at various Iranian universities; as well as the reconstruction organizations, have already laid the foundation for such studies. What is needed now are feasible and effective

operation methods, implementation tools and techniques. To achieve such a goal, the Central Council for the Reconstruction of the War-Damaged Areas, with the cooperation of the University of Tehran, will hold the Second International Conference on the Reconstruction of the War-Damaged Areas, at the University of Tehran from 5 through 15 January 1991.

All of the organizations who have played a role in the reconstruction of the war-damaged areas, including the Ministry of Housing and Urban Development, the Housing Foundation of the Islamic Revolution, the Ministry of the Reconstruction Crusade, the Ministry of Planning and Budget, as well as other auxiliary organizations, will actively participate in the conference.

The general goal of the conference is to exchange intellectual and technical information, utilize past experiences, review and evaluate construction achievements, and to propose ideas and solutions for the existing and future problems relating to the reconstruction of the war-damaged areas.

The conference will include the following subjects:

1. Policies for urban and regional planning
 - a. Review the general policies of reconstruction within the general framework of the Nation's current policies.
 - b. Review the national and regional problems of reconstruction.
 - c. Study the location of settlements.
 - d. Study the relation between urban and rural areas.
 - e. Establish reconstruction priorities.
2. Review and evaluate the reconstruction efforts during the war
 - a. Regional, urban and rural reconstruction.
 - b. Reconstruction of agricultural, industrial and urban facilities.
 - c. Reconstruction of private and governmental institutions.
3. Organization and implementation of reconstruction in the war-damaged areas.
 - a. Organization and administration of reconstruction.
 - b. Participation of the people in the reconstruction process, particularly the former local inhabitants.
 - c. Organization of paid personnel and volunteers.
 - d. Utilization of government personnel and assistance.
 - e. Participation of the military forces in the reconstruction process during peace-time.

- f. Legal aspects of reconstruction including the problems of ownership.
- g. Coordination among all the participating organizations.
- h. Division of responsibilities amongst the reconstruction organizations and the people.
- i. Cooperation of the universities in the reconstruction process.
- 4. Concepts, principles and criteria regarding architectural and urban development.
 - a. Environmental/climatic factors.
 - b. Architectural concepts on the basis of traditions, and beliefs.
 - c. Renovation and preservation of the cultural heritage.
 - d. Optimum methods of reconstruction in architecture and planning.
 - e. Desired style of architecture.
 - f. Design concepts for the traditional and historical areas.
- 5. Technology and construction methods
 - a. Optimum methods and techniques of design and construction in relation to the nation's available resources.
 - b. Utilization of the appropriate technology with regards to the environmental, climatic, political, social, economic, cultural, religious, participatory processes, and maintenance factors.
 - c. Suitable technology to cope with natural disasters; i.e. floods, earthquakes, etc.
- 6. Economic and financial aspects
 - a. Capital investment by the private and governmental sectors.
 - b. Financial assistance and cooperation.
 - c. Economization in construction and implementation.
 - d. The costs and benefits of foreign investments with regards to the country's policies and strategies.
- 7. Reconstruction and economic activities and resources
 - a. Priorities in the reconstruction of the income generating activities.
 - b. Reconstruction of the agricultural, industrial, and infrastructural resources and activities.
 - c. Reconstruction of rural industries.
- 8. Environmental and ecological systems
 - a. Deterioration of the ecological systems.
 - b. Rehabilitation of the natural environment.
- 9. Relocation and re-settlement processes
 - a. Study the methods on how to attract refugees back to their original homesteads. And, establish priorities for their return on the following factors; the various occupations, and their distance from the war-front, the regions, activities, and the degree of their destruction.
 - b. Priorities in agriculture and industries.
 - c. Gradual or mass return.
 - d. Return before, during or after reconstruction.
- 10. Psychological and sociological aspects of reconstruction
 - a. Psychological and sociological problems of the refugees before and during reconstruction.
 - b. Psychological and sociological principles in design and implementation.
 - c. Ethical, psychological and sociological problems after reconstruction, particularly in the case of veterans.
 - d. Psychological impact of the peoples' cooperation and participation in self-help programs, particularly, the former residents of the war-damaged areas.

Conference Agenda:

1. Public presentation of papers and articles. Articles should be received no later than 23 October 1990. Articles which have been selected by the Reviewing Committees will be presented by its author during the course of the conference. Since the conference will be conducted in Farsi and English, participants are advised to send their papers in one of these two languages.
2. Discussion of special topics in Specialized Committees. The names of these committees will be announced at a later date.
3. Visits of the reconstructed areas and historical sites.
4. Compilation of the Resolutions of the Specialized Committees, as well as the articles presented during the conference proceedings.

PAKISTAN

Federal Budget Announced

Highlights

46000120 Karachi DAWN in English 8 Jun 90 p 1

[Text] Islamabad, June 7: Following are the highlights of the facilities and taxation proposals announced by the Minister of State for Finance, Mr Ehsanul Haq Piracha, in his budget speech:

Setting up of Press foundation with a grant of Rs 20 million and a grant of Rs 10 million for Islamabad Press Club.

A grant of Rs 20 million for minority fund for their welfare.

Allocation of Rs 50 million to set up a modern hospital in a big city. City to be decided later.

All government employees to be paid ten percent of their salary as interim relief.

Five percent interim relief for pensioners.

Radio licence fee (domestic) increased from Rs 20 to Rs 30. Cars Rs 30 to Rs 60. Commercial Rs 75 to 150.

Dealers Licence to Rs 160. Dish antenna Rs 1000 per annum with an initial fee of Rs 2000.

Foreign travel tax (Rs 250 to Rs 280) per passenger.

Import licence fee 1 percent.

Telephone call rates (domestic only) increased from paisa 90 to paisa 100.

Line rent increased from Rs 30 to Rs 50.

Excise rebate on sugar at the rate of 50 percent over and above the current year's production. Additional production assumed at 100,000 tons. No import of sugar which will save subsidy of Rs 312 million.

Passport fees (ordinary) Rs 300 to Rs 400. Urgent Rs 900 to Rs 1200. Electricity—WAPDA. Fuel adjustment surcharge (FAS) increased from 55 to 60 paisas and tariff increase by 8.33 percent.

KESC: FAS increase from 55 paisa to 60 paisas and tariff increase by 8.33 percent.

Total yield non-tax measures:—Rs 5,076 million.

Budget at a Glance

46000120 Karachi DAWN in English 8 Jun 90 p 1

[Text]

(Rs. in Million)			
	1989-90		1990-91
	Budget	Revised	Budget
Resources:	203837.9	209800.4	214475.1
a. Internal Resources	161344.8	171381.7	173385.1
Revenue Receipts (Net)	133030.4	130223.2	141188.9
Capital Receipts (Net)	24775.6	35610.0	25648.9
Self-Financing by Autonomous bodies	3538.8	5548.5	6547.3
b. External Resources	42483.1	38418.7	41089.9
Expenditure	208315.6	214809.0	230185.4
i) Current Expenditure	142400.2	152883.2	161779.1
ii) Non-Obligatory Grants to Provinces	9915.4	6925.8	5406.3
iii) Development Expenditure (ADP)	56000.0	55000.0	63000.0
Deficit/Surplus	4487.7	5008.6	15710.3

Measures for New Revenue

46000120 Karachi DAWN in English 8 Jun 90 pp 1, 13

[Article by M. Ziauddin]

[Text] Islamabad, June 7: The Government has proposed new taxation and price measures amounting to Rs 10 billion in the next year's Budget, estimated to have a total size of Rs 230.18 billion.

Mr Ehsanul Haq Piracha, Minister of State for Finance, who announced the Budget for 1990-91 here in the National Assembly on Thursday evening, estimated the budgetary gap to around Rs 20.31 billion.

Income of Rs 10 billion from new taxation and price measures including increases in electricity tariff plus additional income of Rs 3 billion from improvement in tax collection efforts reduced the gap to Rs 7.36 billion which, he said, would be filled by bank borrowing.

The overall budgetary deficit, which includes non-bank borrowing of Rs 25.64 billion from internal sources and Rs 41.08 billion from external sources, amounted to Rs 66.72 billion, he added.

Mr Piracha announced the introduction of the controversial General Sales Tax (GST) for which he tabled an amendment in the present Sales Tax Act. He said this would help in documenting the national economy.

Another measure proposed in this regard was to make it compulsory to attach crossed cheque for expenditure for deduction amounting to Rs 25,000 and more.

The self-assessment scheme has been reintroduced and it will now be applicable to all those whose income is less than Rs 200,000 except companies.

The panel system has also been abolished because according to Mr Piracha it had created more problems for the taxpayers.

The Government has withdrawn income tax exemption from companies providing agro services, provincial seed corporations and those companies which provide agricultural machinery on rent.

Also, tax exemption has been withdrawn from cooperatives which makes financial transactions in the cities and sell and purchase land and get involved in the construction business.

Import surcharge has been increased from seven percent to ten percent and on the other hand average import tariffs on consumer goods has been decreased from 125 percent to 100 percent.

The exemption limit for incomes from NIT, ICP, and listed companies has been decreased from Rs 15,000 to 10,000 and the limit of casual income to be exempted from income tax has been confined to Rs 25,000.

The rate of super tax on private companies has been increased from 15 percent to 20 percent so as to provide incentives to public companies.

The various tariff and price increases announced by Mr Piracha appear to hit the middle and the rich classes.

For example he has proposed increase in radio fees from Rs 20 to Rs 50 for domestic sets and from Rs 75 to Rs 150 for broadcast receiver for commercial purposes and proposed Rs 5,000 fee for the installation of dish antenna plus Rs 1,000 annual fees.

He has also proposed increased in the Airport Tax on foreign travel from Rs 250 to Rs 280.

Import license fee has been increased from five percent to six percent and telephone tariff has been increased from Rs 0.90 to Rs one and line rent from Rs 30.00 to Rs 50.00.

The issue price of wheat has been increased by paisa 15 which is likely to affect the poorer sections of the society.

Passport fees has been increased from Rs 300 for ordinary to Rs 400 and from Rs 900 for urgent to Rs 1200.

Capital value tax has been levied on commercial property of less than 250 square yards owned by all commercial organizations, firms and companies.

The Government has decided to levy excise license fee at reasonable rate on 12 services and the remaining four services will be paying excise duties at the rate of three to 10 percent.

These services include transport, communication and construction businesses and according to Mr Piracha the system of collection has been made easier.

Mr Piracha has also proposed indexation in the excise duty for cement, cotton yarn, artificial yarn, weaving yarn and cigarettes.

Also assessment of central excise duty on soft drinks would now be done on the basis of number of filling spouts installed and the collection would be made every four months.

Duties on airconditioners, deep freezers and arms have been levied at the rate of five percent and additional 20 percent duty would be levied on receptions held in hotels for 50 or more guests.

TV and radio ads for cigarettes, soft drinks, scents and cosmetics would now carry a duty of 10 percent.

Major expenditures in the 1990-91 budget include Rs 63.27 billion for defence and Rs 68.41 billion for debt servicing. The defence budget has been increased by a mere 2.2 percent over the expenditure incurred on defence during the current year.

Debt servicing, however, has increased by 13.4 percent over the revised estimates. Within the classification of debt servicing the servicing of domestic debt would rise by 14.5 percent and the servicing of foreign debt by 13.7 percent. The repayment of principal on foreign debt will increase by 10.2 percent in the budget over the revised estimate for 1989-90.

Grants to provincial and local authorities at Rs 2.9 billion are at a higher level by Rs 9.0 billion more than the revised budget. This is largely due to an increase in grant to Azad Jammu Kashmir and Railways.

The Federal Government provides different subsidies to achieve various socio-economic objectives. In the Budget estimates for 1990-91, the allocation for subsidies has been kept at Rs 6.62 billion as compared to Rs 8.55 billion in the revised budget. This shows a substantial decrease in the subsidy allocation for the next year.

The new proposals include withdrawal of Sales Tax exemption from about 30 items including copper-wire, tube lights, aluminum rods, detergents, woollen cloth, electricity and gas meters.

Agro Services Taxed for First Time

46000120 Karachi DAWN in English 8 Jun 90 p 1

[Text] Islamabad, June 7: The Federal Budget makes a determined move to bring agricultural income under some kind of tax net and two significant steps show this.

The first is the enhancement of the value of Produce Index Unit [PIU] for agricultural land from Rs 10 to Rs 400 for assessment of Wealth Tax.

The PIU was fixed at Rs 10 twenty years ago and agriculturists were using a double standard—one scale for assessment of Wealth Tax and another for obtaining agricultural loans.

Wealth Tax was assessed at Rs 10 per PIU while loans were assessed at Rs 400 per PIU. The budget proposes that the PIU should be the same—Rs 400 for both.

The second step proposed in the budget that would affect the agricultural sector is the withdrawal of tax exemption from companies providing agro-services, provincial seed corporations and persons renting out agricultural machinery.

Most of these services are provided to the farmers by subsidiaries of big landlords themselves and they would be hit by the tax.

Prime Minister Benazir Bhutto also hinted at another proposal of Ushr, for the agriculture sector, details of which were not immediately available.

Text of Finance Minister's Budget Speech

46000120 Karachi DAWN in English 8 Jun 90 p 7, 9

[Text] Islamabad, June 7: The followings is the text of Finance Minister's budget speech:

Mr Speaker,

The budget is not only a statement of income and expenditure in a particular year but also a reflection of the overall policies of the Government. The preference for easy solutions and escape from responsibility created imbalances and inequities in the economy. Economic reforms are inescapable, that is our first priority. Only a robust economy can provide welfare of the poor masses. Reform of the economy is a process that demands patience, dedication and perseverance. However, our effort is that minimum is demanded from the poor and most of the fruits of reform reach them. Along with correction of imbalances in the economy, it is our endeavour, within the constraints of resources, to achieve the objectives laid down in our manifesto, for which the people have given us a mandate through the process of elections. It is the firm belief of our Government that Pakistan can achieve economic stability. Almighty Allah has bestowed it with abundant resources, its land is fertile, its mountains embody a wealth of minerals, its rivers a fountain of energy. We fully realize that it is for social justice and freedom from all types of

exploitation, that the people are with us and have confidence in us. They want a social and economic system that assures every body, irrespective of his status, equal economic opportunities. Along with participation in the Government, the peoples full participation in the economic system must be ensured.

We are determined to ensure optimum utilization of our resources. It is our endeavour to induce broad-based investment and take necessary measures to obtain the latest technology. The objective is to create a strong, healthy and effective middle class and eliminate poverty.

We are determined to create, side by side with the economic development of the country, an environment wherein economic benefits are not restricted to a few people, families or groups. The benefits should reach those people and areas which are underdeveloped and are in the grip of poverty.

Today we are entering an era, where on the one hand, the 20th century is about to end, and, on the other, all the excitements and potentials of the 21st century are on the threshold. We have to prepare our people to welcome the new century with a society which enjoys all basic necessities of life:

- They have clean drinking water.
- They have a roof over their heads.
- Health facilities are available.
- Transport is easy.
- Educational opportunities are available.

We cannot ignore the reality that 70 percent of our population lives in rural areas. They are the backbone of our economy. The prosperity of the country is dependent on their prosperity. We are taking steps to provide incentives to small agriculturists to improve their economic well being. We will provide facilities to villages that were, till to-day, considered the privilege of city dwellers only. We do not want our brothers and sisters to migrate from their villages and undergo the harsh experience of an urban slum life. It is for this reason that our plans accord a high priority to small and rural industry, so that people from rural areas obtain employment near their homes and local resources are utilized to the maximum. The Government has announced a number of incentives and facilities in this regard. It has further been decided that the nationalized commercial banks and DFIs will provide concessional credit to projects that generate large employment opportunities. Small industries will also promote our culture.

It was our commitment that we would reform the existing tax system in a fashion that it is based upon justice and equity and tax payers have confidence in the Government.

We had committed to the people that we would re-order our priorities so as to allocate the maximum possible funds to education, health, sanitation, public hygiene, public works and the development of human resources. It will be also our effort to eschew unnecessary private

and public consumption to maximize savings to support development activities. Similarly, it is our commitment to optimize the use of mineral resources and to design development programmes that minimize the disparity between developed and underdeveloped areas.

We have relied on the co-operation of the private sector for sustained economic and industrial growth and a wide dispersal of its impact. In addition to providing an environment conducive to the strengthening of the private sector, the government has embarked upon a policy of privatization. An important object of the step by step privatization programme devised by the government is to enable small investors and the common-man to participate in the ownership of public sector enterprises. The first stage of this programme is the offering of 27.4 million shares of the PIA to the public. The results have been most encouraging and the investment is about three time more than the target. In the near future, the government will offer shares of other companies for public subscription also. Pak-Saudi Fertilizer Company and the Muslim Commercial Bank will be amongst the foremost companies to be privatized. In addition, the Government has decided to convert the T&T department into a corporation which will further improve its performance. As a consequence of this, the number of seven lakh waiting applicants would also substantially reduce. Furthermore, to enable the private sector to participate in the construction of National Highways, the construction of Kharian-Rawalpindi and Chaplat-Nowshera section will be carried out by the private sector. If this experiment proves successful, the construction of more sections will be handed over to them.

The Government is well aware that a peaceful environment is essential for industrial progress and stability. Our stand on this issue is absolutely unambiguous. Employer and employee relations are of fundamental importance to industrial peace. We have committed to our workers that we will protect their rights and that we will ensure that their labor is fully and properly compensated. We wish to establish an environment that generates mutual confidence and mutuality of interests that ensures industrial peace.

I have just presented an outline of economic and fiscal objectives and targets. We firmly believe that an uninterrupted process of active participation of the people is a pre-condition for a sustained economic progress.

We should not forget that the desire to lead an ostentatious life beyond our means is a cancer for society. Display and conspicuous consumption gives birth to a number of social evils. Chronic imbalances in the economy emerged in the past because of escalating demands for resource use, which was totally out of line with availability of resources in the economy. The aggregate demand has to be brought closer to availability of resources. For this, our efforts should be to persuade the people to lead simple lives, and this simplicity should become our national hallmark. The appeal contained in Prime Minister Mohtarma Benazir Bhutto's address to

the Nation on the 23rd March, is an essential ingredient of our planning. She had said.

"We should imbibe the habit of cutting the coat according to the cloth. For how long will we continue to borrow? We should not sacrifice our future peace for today's comfort. We must adopt simplicity in place of pomp and show".

The purpose of stating the objectives that were laid down for formulating the Budget, was to stress that, if economic planning is divorced from its political and social aspects, it becomes completely ineffective. The litmus test for the success of any plan is the extent to which it contributes in the liberation of the people from the clutches of poverty and misery and increases their standard of living.

It is necessary to briefly mention those objectives which had been kept in view while presenting the budget for the current year. Primarily these were:—An increase in domestic production.

- To reduce inflationary pressures.
- To reduce the budgetary deficit.
- Better utilization of resources and an increase in investment.
- Improvement in the balance of payment and a liberal trade policy.
- Increase the active role of the private sector and eliminate regulations that are unnecessarily restrictive.
- To accord higher priority to the Social, Energy and Communication sectors in the development programme.

Before I present the budgetary proposals for the next financial year, I would like to review the progress towards the achievement of these objectives.

In spite of difficulties in the current financial year, the pace of economic development remained satisfactory. In 1989-90, an increase of 5.2 percent is expected in the Gross Domestic Product (GDP). The growth in agriculture, industries and minerals, and electricity and gas contributed significantly to this increase. Agricultural production increased at a rate of 4 percent. Last year the increase in industrial production was only 4 percent. This year performance has been much better and the growth rate is expected to be 7.9 percent. The minerals sector is estimated to grow by 9.7 percent, electricity and gas by 6.3 percent. In other sectors also, the trend is positive.

Wheat, cotton, grams and other commodities have played a major role in the better performance of agriculture sector. A record production of 15 million tonnes of wheat is expected this year. Similarly, the production of cotton was 86 lakh bales and an increase of 25 percent was observed in the production of gram.

The increase in industrial production, can be attributed largely to cotton yarn, cloth, vegetable oil, sugar, cement, caustic soda and soda ash.

The Government is giving high priority to increase energy resources. Almost one third of our Annual Development Programme has been allocated for this sector. I feel great pleasure in stating that in the current year, the production of crude oil reached 52,808 barrels per day which is 5.4 percent higher than last year. By June, 1990, WAPDA [Water and Power Development Authority]'s generation capacity will reach 2721 megawatt, which will be a 13 percent increase over the last financial year. An increase of 5.4 percent will also take place in production of gas.

In order to overcome the shortage of energy and to meet the increasing demand, it is necessary to harness nuclear energy on a large scale, in addition to conventional sources of energy such as Hydel, gas and coal. The Government has made progress in this regard and due to the Prime Minister's personal efforts, France and China agreed to provide nuclear plants of 900 and 300 megawatts respectively. Negotiations on the technical and financial aspects of the deal are being conducted with both the countries. It is expected that the plants will be operational 6 years after conclusion of agreement.

Increase in investment, is of vital importance for not only sustaining, but also for accelerating the pace of economic development. Therefore, despite other pressures on resources, the target for investment was kept at Rs 158 million, which is an increase of over 16.3 percent over last year's investment and is 18.1 percent last year. A welcome development is the increase in private investment by 18.7 percent, which is a proof of the success of the Government's efforts to promote private investment.

The concessions and incentives provided to promote investment have started showing results. A high level investment Board was established. This is chaired by the Prime Minister herself. During the period July-March, 1989-90, this Board has sanctioned 45 projects worth Rs 72 billion, which on completion will provide 6,810 new jobs.

I will now touch upon a sensitive economic area that has a direct bearing on the purchasing power of people, i.e., inflation. The most effective device for improving economic well-being of the poor masses is to reduce the rate of inflation. Therefore, an important aspect of our policies is to contain inflation and keep it at reasonable level. To achieve this end during the current year, government has adopted policies designed to maintain a balance between Demand and Supply. On the one hand, we have controlled expenditure, increased resources, reduced overall budget deficit, controlled money supply and reduced the share of the budget in credit expansion so that resources are diverted to increased production and on the other, steps have been taken to increase supply of essential goods through increased production, liberal imports and other administrative measures. As a result

of balance between supply and demand, the pressure on prices has declined noticeably. During the first nine months of this year inflation rate remained at the level of 5.7 percent, as compared to 10.7 percent in the corresponding period in the last year. I may mention here that this general decrease in inflation is due to a mixed trend in prices. Prices of most goods have decreased, i.e., pulses, onions, potato, tomato and vegetables whereas the increase is comparatively lesser.

We will continue our efforts to ensure that the increase in prices is kept to the minimum possible level.

The imprecise inflationary situation in the domestic sector is also reflected in the improvement in balance of payments. The current account deficit amounted to 1.9 billion dollars last year. In the current year, the situation has improved to some extent. In July-April 1989-90, exports have increased by 4.8 percent. It is pertinent to note that apart from rice and cotton export of industrial and semi-industrial products have shown an increase of 23 percent. Due to Government policies, the export of cotton yarn, cotton cloth, garments and other textile goods have shown substantial increase which will result in further improvement in the future. The imports have shown a decline of 0.7 percent. Home remittances have improved by 2.8 percent. Consequently, it is expected that the current account deficit will decline to 1.7 billion dollar and foreign exchange reserves are expected to increase by 141 million dollar.

Reforms are also being introduced in the Banking System. Various measures are being instituted to improve the performance of Nationalized Commercial Banks and they are being re-organized. In the private sector, the setting up of Investment Banks has been approved, one of which has become operational. Four more will start functioning shortly. Amendments in the Banking Act is also under consideration to enable the State Bank to exercise banking control over the operations of Modaraba, leasing companies, Investment Banks, and other Development Financial Institutions.

I have already mentioned about increase in production and investment by the private sector and a decline in the rate of inflation. The Government's Monetary Policy has played a vital role in obtaining these results. Under this policy the needs of the private sector and exports have been accorded a high priority. Deficit financing has been reduced. A credit policy that meets the various needs of the economy without generating pressures on prices has been adopted. The positive results emerging from this policy have encouraged us and it is our effort to make monetary system more efficient by phasing out unnecessary regulations.

Immediately on assumption of power, the People's Government attended to plans which have an impact on both the economy and the society. At the time of elections, we have committed that the social sectors would be accorded a high priority. For this reason, the Prime Minister, immediately on assumption of her office, paid

special attention to Education and Health sectors. In order to prepare the young generation for its responsibilities and to acquaint them with the needs of a democratic system, a National Education Council has been constituted. In addition to formal Education, the People's Government addressed itself to the problem of widespread illiteracy. Without education, neither democracy can flourish, nor is social and economic development possible. The Government has, therefore, initiated immediate measures and devised a comprehensive programme to raise the level of literacy. Primary education occupies an important place in this programme.

Special emphasis has been laid on science and technical education at the Secondary School level. Under the aegis of the Allama Iqbal Open University, 60,000 educated youth will be trained to educate 30 lakh illiterate individuals.

In order to improve the standard of education, model institution catering for Class VI to XII will be set up, in stages, at every District Headquarters. These will be residential institutions so that students from rural and far-flung areas can also benefit from this scheme.

Work on the plan to set up Shaheed Zulfikar Ali Bhutto Science and Technology Research Institute has been initiated, in order to further strengthen the spirit of research and enquiry.

The Government wishes to mobilize the talent and energies of the youth to productive channels, so that the nation and the country benefit from their positive role. Providing appropriate employment to them is amongst the foremost priorities for the Government. The Small Business Finance Corporation and the Youth Investment promotion Society are actively engaged in providing employment opportunities to the youth. In addition, Institutes are being set up to provide vocational training, which will cater to the needs of the country for professional and trained manpower and will also facilitate obtaining employment in other countries. The creation of a separate Ministry for Youth is a positive and effective step towards welfare of the young.

The People's Government has a special interest in the welfare of workers. We want to create conditions in which contented and happy workers participate fully towards the development of the country. It is, therefore, being ensured that the maximum possible number of factories and workers are covered by the Employees Old Age Benefit Scheme. In order to implement further schemes for the welfare of workers, the Government has provided an amount of Rs 550 million. A Workers Credit Institute is being established. The rate of Pension of laborers is also being increased. The national Industrial Relation Commission has been strengthened.

In addition to workers, the Government is fully aware of the problems of Federal Government Servants and is working on a number of plans in this regard. Their biggest problem is of accommodation. The Government

is constructing 2268 houses for Government servants at Islamabad, Karachi, Lahore, Peshawar and Quetta, out of which 1235 houses will be completed in the year 1989-90. For Federal Government employees nearing retirement, a Housing Society, which would construct houses on an ownership basis, has been set up. In compliance with the instructions of the Prime Minister, such housing schemes will be initiated at Karachi, Lahore, Peshawar and Quetta for Federal Employees.

It is the endeavour of the Government to create a balance between the demand and supply for housing. A National Housing Policy has been formulated towards this end. Construction facilities will be extended to rural areas in terms of this policy.

The announcement of the National Health Policy last month by the Government, was an important development in the public health sector. The provision of health facilities to everybody by the year 2000, preventive care for infants from fatal diseases and improvement in the performance and working conditions of doctors and health staff are some of the main objectives of this policy. encouraging results have been achieved due to the special attention paid by the Government to the health sector. There has been an increase of 5800 beds in all provincial hospitals, which has benefited the poor immensely. There are now 10 centers where nuclear energy is being used to diagnose and cure cancer.

The People's Programme is a plan for the welfare of the people. This was devised by the Government to provide basic necessities and facilities to the people on an urgent basis. In view of the utility of the programme its scope has been extended to Azad Kashmir and Federally Administered areas. In the current financial year, an amount of Rs 3 billion has been allocated for this programme.

While the People's Programme is of fundamental importance for development of rural areas, the problems of these areas and the misery of their inhabitants call for the initiation of a series of rural development programmes which would change their life. For this purpose, both domestic and international resources are being utilized. Plans for rural development including provision of electricity, water, small industries and construction of farm to market roads are being implemented. Similar programmes have been prepared for tribal areas also. Funds are being provided specially for the implementation of these schemes. The Regional Development Finance Corporation will also provide concessional loans for the promotion of business activity in the Northern Areas.

The Government is implementing a comprehensive population welfare programme. The primary objective is to slow down the rate of population growth and to create, through education and better health facilities, an awareness amongst the people regarding the importance of a healthy family.

For rapid development of relatively undeveloped areas Special Development Programmes are under implementation. While project execution is the responsibility of the Provincial Governments, Federal Government provides financing. As part of the programme for development of areas West of Indus, work will start next year on Mithankot—Chachra Bridge over River Indus at a cost of Rs770 million.

The Government has announced the Tourism Policy, a few days back. Under the policy fiscal monetary and other concessions and incentives will be provided to the private sector for the promotion of tourism. The policy also lays emphasis on the development of tourist facilities in the under developed areas.

The media sector has played its role effectively in the current financial year. Radio services are planned to be extended to far-flung and under developed areas. A 300 kilowatts transmitter has been installed at Khuzdar. Work on the construction of Radio Stations at Zhob and Loralai is in progress. About 75 percent of the work for the setting up of a new Broadcasting House at Gilgit for the Northern Areas has been completed.

As far as Television is concerned, progress on their development schemes was satisfactory. In accordance with the announcement of the Prime Minister Mohtarma Benazir Bhutto, Pakistan Television has started work on the installation of a booster at a cost of Rs 500 million which will facilitate transmission to entire Kashmir.

In order to increase the areas covered by transmission from the Pakistan Television Corporation, initial work on the setting up of a booster at Landikotal and Leiah has been started. In compliance with the special directive of the Prime Minister, a Video Play-Back Center is being set up at Booni District Chitral.

In addition, a second Television channel operated by Private Sector has started its transmission which is a unique experiment for developing countries.

Now I seek your permission to present Revised Estimates of 1989-90 and Budget Estimates 1990-91.

The overall budgetary position for the year 1989-90 was as under:

(Rs Million)	
i) Total Revenue Receipts	159434.20
ii) Total Revenue Expenditure	142400.20
iii) Share of Provinces in Taxes	26403.80
iv) Non-obligatory Grants to Provinces	9915.40
v) Development Expenditure	56000.00

The difference between receipt and expenditure was to be met from capital receipts, external resources, self-financing of autonomous bodies and bank borrowing.

Compared to Budget Estimates 1989-90, the Revised Estimates are as under:

(Rs Million)	
i) Total Revenue Receipts	161101.90
ii) Total Revenue Expenditure	152883.20
iii) Share of Provinces in Taxes	30878.70
iv) Non-obligatory Grants to Provinces	6925.80
v) Development Expenditure	55000.00

The difference between Revenue and Expenditure has been met from the following resources:

(Rs Million)	
i) Capital Receipts	35610.00
ii) External Resources	38418.70
iii) Self-financing of Autonomous Bodies	5548.50
iv) Bank borrowing	5000.00

From these figures, it appears that the total revenue has slightly increased in the Revised Estimates.

So far as expenditure is concerned, major increase has taken place in Defence and Debt Servicing. As regards Defence, the expenditure on this account has increased from Rs 52.2 billion in Budget Estimates to Rs 62 billion in Revised Estimates. This increase was inevitable due to the situation emerged on borders. In the same manner, the expenditure on debt servicing in the Budget Estimates has increased from Rs 59.5 billion to Rs 60.3 billion in revised estimates. It is the effort of Government that the burden on account of debt servicing should not increase. To achieve this end, we will have to pay more attention to increasing internal resources. Apart from these additions, there was no noteworthy increase in other heads. Contrary to this, the expenditure on Civil Administration has reduced and the overall expenditure of Rs 19.27 billion in Budget Estimates has reduced to Rs 19.14 billion in revised estimates.

Now I present the budget estimates for the year 1990-91 before the House.

The current total gross revenue receipts for the next year have estimated at Rs 175406.40 million as against the estimated revenue expenditure of Rs 161779.10 million. After deducting the provincial share of Rs 34217.50 million in taxes, the Current Account Deficit will be Rs. 20590.20 million. The non-obligatory grants to Provinces will be to the tune of Rs 5406.3 million and the estimates of Development Expenditure would be Rs 63000.00 million. On the other hand, income from capital receipt has been estimated at Rs 25648.9 million, and self-financing of autonomous bodies at Rs 6547.4 million. In view of this expenditure and income, we are facing a deficit of Rs 15710.3 million.

Article Says Country 'Hunting Ground' for Warlords

46000121B Islamabad THE MUSLIM
in English 25 May 90 pp 4, 9

[Article by Mohammad Aslam]

[Text] Guided by the logic of power and influence, empires in their expansive cycle push out their frontiers. They trample over the smaller and weaker neighbors until they are challenged by an equally strong opponent or resisted by a militant national struggle. In the case of European expansion for colonies in the last century the dynamism of the industrial states crushed the oriental kingdoms comprising mostly agrarian territorial lands, though far larger in size and population. To accelerate and consolidate the process of subjugation they groomed native feudals who supported the conquerors for personal gains and worked against their own countries where the governments of the time were historically feeble. As a consequence the numerically inferior white conquerors perpetuated their rule over the three largest continents of the globe for centuries.

Consolidation

In many Afro-Asian countries the local feudals were selectively armed by their foreign benefactors either prior to the commencement of their armed aggression or later during the consolidation phase when the tottering kingships were to be mopped up and their vestiges obliterated. Depending on the geo-political situation these armed feudals turned into warlords and were allowed to establish their control over some areas that were to be used by the invaders for launching of their future operations or kept as buffer zones only. The warlords acted as roving rebels generally against the native government structure on the instance of their paymasters. A classical example of such warlords was the Fengtien clique in north China who became quite notorious in the Fengtien War in 1924. In 1926, they marched on and capture Beijing. But in 1928 Fengtien was killed by a bomb planted by the Japanese invaders whose tool he had been. How many 'warlords' have met that fate in this part of the World recently? Only history will establish the truth.

The British had created hundreds of principalities to tear into pieces, the fabric of native authority and bestowed considerable privileges and perks on those who helped them demolish the edifice of the Muslim rule in India. Since there was no rival power (once the French were ousted) to contend for domination of the subcontinent, the British did not face any compulsion to arm the feudals. Being dependent on the British subsidy the princes were by and large, made impotent politically and militarily. They had but only meager contingents of a few shabby soldiers for place duties and ceremonial purposes. In bigger states like Hyderabad and Kashmir the rulers were selected from the minority religions to exploit the shism with the subjects who were in majority. The principal policy objective of the colonial power was to ensure that no political party or resistance group should get organized and rise to challenge their supremacy.

To tighten their economic hold over the broad masses the British introduced a Land Revenue System which created a new class and caste structure. This system had profound effect on the distribution of power within the native society. Whatever class obtained the 'Settlement' and the right and privilege it entailed, was in effect the master of the land, able to reduce all others to virtual dependence on its generosity. As the rulers of India the British thus held in their hands an instrument of power in shaping the structure of the rural society. They could ensure domination of any favored class simply by making it responsible for collection and payment of the land revenue.

Almost the whole of the feudal gentry of Pakistan owes its existence to its total servitude to the British Raj. Their behavior with the native populace was tyrannically coercive. Dispossessed people were suppressed through ejection from the land, involvement in local feuds and abduction of their women folk. Use of direct force was

seldom made because where the requirement arose help was sought from the police and other Raj functionaries.

After the creation of Pakistan when the country fell prey to dictatorships, the complexion of power sharing by the big landlords has changed drastically. During the last martial law many a big one proudly claimed to have strong links with the powerful organs of the regime. And it is no secret that when the powerful feudals boasting of political or religious cult acted as the regime's proxies, they were provided good amounts of money and in some cases arms as well on the pretext of meeting the higher national objectives. However, as the wheel of history had turned full circle the martial law regime started facing stiff opposition from rural Sindh that culminated in the high peak of the MRD [Movement for the Restoration of Democracy] movement in 1984. It shook the roots of the regime. In many ways it was the fear of this movement that had helped bring about 1985 partyless elections, whereafter as a stopgap measure, a docile, Sindhi politician like Mohammad Khan Junejo was made the Prime Minister. In the same vein another Sindhi leader—Ms Benazir Bhutto, the staunchest opponent of the Martial law was allowed to return to Pakistan in 1986.

Restoration

When the political situation seemed to be positively crystallizing in favor of the restoration of democracy the vested interests started showing the seeds of ethnic, regional and sectarian hatred to foment strife as preemptive against the onslaught of collective democratic will of the people. It started in the biggest city of Pakistan that provides shelter and livelihood to large sections of population from all the four provinces of Pakistan. Sporadic traffic accidents were made the excuse for agitation resulting into conflict in which the drivers from upcountry were attacked. Later divisive forces drew the battle lines, sometimes between Pathans—Punjab versus Karachiite and sometimes between Sindhis and non-Sindhis. With the escalation of war in Afghanistan, the spillover of arms and narcotics money spread all over Pakistan like lava. The largest consignments of these two commodities passed through Karachi—the biggest city and the only major harbor of Pakistan. Karachi's strategic importance therefore could be well imagined from the fact that nearly 90

of the weapons sent for the Mujahideen passed through here. Besides Karachi is the only harbor on the Mekran coast that controls the entrance to the Persian Gulf considered as an area of vital interest by the United States for its oil production. Karachi can effectively challenge the supremacy of the Indian Navy in the Arabian Sea and conversely a blockade of Karachi harbor can choke Pakistan's trade and vital supplies.

In the backdrop of well-known vital interest of the superpowers in the region and the Indian expansionist designs to annex disputed areas and turn all its small neighbors into vassal states the vested interests are encouraging the trends of warlordism to split the

national fabric and thus hold back Pakistan from becoming a viable nation state. India has followed a calculated foreign policy to arrive at a most favorable bargaining position with the two superpowers so as to pursue their hegemonic designs. Soon after independence she moved her armies into Kashmir, Hyderabad, Junagarh and Goa. To acquire modern weapons from the Western World, India staged the most reckless gamble of declaring war with China over a boundary issue in NEFA in 1962. The US, Britain and other Western powers stepped forward to offer her the weapons and other assistance. With the aid coming from the two superpowers, Indian militarization knew no bounds. She invaded and captured East Pakistan in 1971. In the last few years India has acquired over 13 billion dollars worth of armaments from Russia alone. She occupied part of Siachen, landed her army into Sri Lanka, fomented rebellion in the Maldives, imposed an economic blockade against Nepal, created many irritants for Bangladesh and menacingly amassed the largest army against Pakistan during the so-called exercise Brass Tacks.

How can Pakistan be oblivious of the heavy build-up of the Indian war machine? Sooner or later the Indian rulers have to justify such fabulous expenditures on war materials, to their impoverished masses and there is no better justification than aggression and expansion. This is the cold logic of the history of ultra-militarization. The uprising in Kashmir is just another excuse being propagated by India as a problem created by Pakistan.

With the law and order almost out of control in many parts of the country in many parts of the country or at least on the fringes of anarchy, like in Karachi where terrorists exchanged hostages in front of the military authorities and Hyderabad where the warring groups are freely using rocket launchers, the local political leadership are conniving with the warlords. In many parts of rural Sindh and the Punjab the dacoits and criminals have lost fear of the police because of protection from the feudals and influential moneyed barons. In Karachi and Sindh the quantum of ransom money has been raised to astronomical figures. Of late quite a few important and well connected persons have been abducted.

Can ordinary and isolated individuals commit crimes of such magnitude? It is not possible. For acts of such dimension, there has to be an elaborate and massive network of well trained forces who must wield total influence over large areas where the government agencies are either entirely helpless or have to acquiesce. When big landlords who reign supreme over the rural areas and political parties or groups who hold power in the cities are encouraging these crimes and providing hideouts and protection to the dacoits, bandits and the terrorists then the time is not far off when some of them would emerge as powerful war-lords who will strive to extend their control over larger areas of the countryside and the cities and thus pose the greatest challenge to the state authority. They will then be readily extended

monetary and material support by the external powers to neutralize Pakistan's position in this vital region.

In the absence of essential prerequisites of an industrial base, Pakistan is at a crossroad as to whether it can emerge as a modern nation state or it would be forced to remain a decaying medieval landmass where the down-trodden and dispossessed remain under the yoke of the warlords and robber barons. Already many influential lords and rich barons in the federal and provincial setups are spreading their tentacles over matters and areas beyond their constitutional and political jurisdiction. The saner elements who are not well off financially have lost the political effectiveness against the ruthless 'house-traders' and have been pushed into passivity to find refuge in self-righteous sermonizing and meekish intellectual gimmicks. Under these conditions will Pakistan be able to find the road to self-reliance to become a nation-state or remain a hunting ground for pillage and plunder by the warlords and robber-barons. In the later eventuality the enemy knocking at the doors will not give a second chance.

Commentaries Warn of Law, Order Breakdown

Sindh: What Happened in a Single Day

90AS0084A Karachi AMN in Urdu 5 May 90 p 3

[Article by Jumma Khan under byline, "From Jumma Khan's Pen"]

[Excerpt] Certain reports appearing in Karachi newspapers on Thursday, 3 May, made some of the readers wonder whether there was any government in Sindh. The following are some of those news items:

Amir Ali Qaim Khani, the provincial head of WAPDA [Water and Power Development Authority] labor union, was shot and killed in his car in the presence of his son. In protest against this incident, WAPDA employees shut off electricity to several towns. A bank car was robbed and burned in Hyderabad. There were several shooting incidents.

Token strikes, lasting two hours, were held in 200 factories in Sindh's four large industrial centers—Kotari, Nuriabad, Dhabeji, and Hyderabad—over the abduction of a manager by bandits.

The All Pakistan Textile Mills Association has announced that if the continuous abductions for ransom are not stopped, it will close down all the textile mills in Sindh.

The Hyderabad business community has passed a resolution saying that the police and rangers no longer enjoy the confidence of the public, hence, the army should be placed in charge of guarding the lives and property of the people in Hyderabad and Latifabad. Bandits abducted four employees of the Oil and Gas Development Corporation and murdered them when ransom was not paid.

The bodies, which were thrown into a stream, were recovered. One was sent to Rawalpindi and three were buried in Karachi.

Members of the police force in Ladio barracks, who were intoxicated, abducted 10 women pilgrims from the shrine of Shah Aqeeq. The women's names are: Asia, Hasan Ara, Rashida, Rokhsana, Nur Jahan, Nasim Nayer, Shameem Nayer, Amrina, Fatema, and Asia. The other pilgrims complained, upon which ASP [Assistant Superintendent of Police] Sajaval raided the policemen's residences and released the women who had been seized by head constable Bashir Bhat, Chari Baksh Khusk, Ali Akbar, Haider Shah, and Galo. The women were returned to their families. Although the women complained of ill-treatment, no charges were filed.

The two victims of shootings by liquor store owners, in Liari, on Sunday night were identified. One was Sayed Mehtab Ali who lived near Federal B area and was an automobile mechanic. The other was Kalim, commonly known as Bhora, who lived in the Idgah area. No criminals were arrested.

There were six incidents of robbery and holdups in Karachi in which jewelry, cash, and cars were stolen.

Groups of students in Sindh are also kidnapping individuals for ransom. They turn over the abducted individuals to bandits who release them after receiving large sums in ransom.

In a village in Garhi Yasin, a group of armed men abducted the four daughters of Niaz Hussain from their house. The police speculate that the girls' father had refused to marry his daughters to the abductors.

Police in Tandwala Yar arrested Qader Baksh, the chairman of Sindh Peoples Students Federation and transferred him to Hyderabad. Haji Ullah Wasaya Chandyu, secretary General of the People's Party, [Diplo] was also arrested by the police. These news items of a single day help one understand the situation in Sindh. In the past, only important shop owners, merchants, industrialists, and wealthy individuals were abducted for ransom. Now workers, teachers, and doctors are also being kidnapped. Certain student groups are also engaging in this activity and have made the job of bandits much easier. The students abduct an individual, take him to the bandits, and hand him over to them after receiving small sums for their own expenses. The bandits extract large sums from the abductor's family for his release. If no ransom is paid, the bandits kill the kidnapped individual.

Establishing Rule of Law Said Top Priority

90AS0084B Karachi AMN in Urdu 3 May 90 p 3

[Editorial entitled: "Why Is the Situation in Sindh Getting Out of Control?"]

[Text] Crime is increasing daily, not only in Karachi, but all over Sindh. Murder, kidnapping, and robbery have

become daily occurrences. Not a single day passes without several families suffering bereavement. The life, honor, and property of ordinary citizens and even government employees is in constant danger. In view of the fact that the police force has been increased substantially and has been armed with the latest weapons and equipment, the increase in crime must be due to either deteriorating police efficiency or an extraordinary increase in the numbers and influence of robbers, terrorists, and criminals, or perhaps both. Robbers rob and leave with their plunder. Murderers kill innocent people and walk around unafraid. Terrorists in cars and on scooters shoot, kill, and wound innocent people and roam around undaunted. No one stops them. The government had made tall claims that no criminal or murderer would be pardoned; that the rule of law would be established; that everyone would be treated equitably, and that discussions would be started soon with rival parties with a view to establishing order in the province. But no positive or noteworthy steps have been taken so far in regard to any of these issues. The prospect of any improvement in the situation appears dim. In fact, the situation has worsened to such an extent that charges have been filed in court against some elected members of the Sindh assembly in connection with certain incidents of murder, abduction, and robbery. Certain influential individuals in the country are also being accused of complicity in such incidents. The murderers of the 72 or 73 individuals killed for political reasons over the last few months have not even been caught, let alone brought to justice. According to the latest reports, four of the five employees of the Oil and Gas Development Corporation who were abducted last month have been killed, but their abductors and murderers have not been captured as yet. The employees of the corporation have served notice that if the murderers are not caught and the employees are not protected, they will quit work.

The other day, a technical engineer from Kotari and his son were kidnapped. Neither has been found, nor have their abductors been arrested. According to press reports, the managerial employees of all factories in the industrial areas of Kotari, Nuriabad, Dhabeji, and Karachi have announced that they will stop traffic on the national highways and superhighways on 2 May as a protest and that if their protest does not produce any result, they will shut down all industrial work in these areas. It is easy to see what the effect on the country's economy would be if these artisans and their workers are forced to take such extreme measures. In such a situation, would any Pakistani or foreign investor dare to start any industry or factory?

Two days ago, two groups fired shots at each other in the municipality as a result of which three individuals were killed and several wounded. Reactions to such incidents are bound to occur. The incidents at Pakistan Steel two days before Eid have been reported in the press. Work stoppage in Pakistan's largest industrial establishment translates into losses of millions of rupees and the effect this has on the country's industrial progress and economic condition is obvious to any intelligent person.

Wisdom demands that we recognize the direction from which the wind is blowing. We should set aside our obstinate ways and take immediate, practical, and positive steps to restore law and order in the country, especially in Sindh and Karachi, so that economic and industrial activity may increase. Since Karachi is the center not only of Sindh but of the whole country as well, and the heart and brain of the political and economic body, anything that affects or paralyzes the city cripples the entire political and economic structure. It is essential, therefore, to give top priority to the problem of law and order, not only in Karachi but in the whole of Sindh.

Government-Opposition Reconciliation Moves Welcomed

90AS0084C Karachi AMN in Urdu 7 May 90 p 3

[Editorial entitled: "Agreeable Trend of Harmony Replaces Confrontation"]

[Text] The country is facing a most serious political and economic crisis. Disorder rules the country and as for the law and order situation in Hyderabad, Karachi, and the rest of Sindh, the less said the better. Undoubtedly the police are directly or indirectly involved in the kidnappings for ransom, the murder of kidnap victims, and the daytime robberies and plunder because dozens of police department employees have been caught red handed. If even one such incident, such as the abduction by intoxicated policemen of not one or two but nearly a dozen women pilgrims from religious shrines and the ill treatment of these abducted women had occurred in a Western or a truly democratic country, the government would have tendered its resignation. The murder of workers engaged in the exploration of oil and gas—important sources of energy in the country's economy, and the inability to capture the murderers are incidents which show the inefficiency and weakness of the government machinery. Incidents of the abduction of industrial artisans and their responsible employees have increased to such an extent that Sindh's All Pakistan Textile Mills Association and the action committee of the Baluchistan zone have decided to go on two hour token strikes starting 7 May until such time as mill manager Chaudhri Abdul Rashid and his son are rescued from their abductors. Industrial workers in Nuriabad have threatened to shut down the factories and, in a joint general meeting in Islamabad of the officials' association and workers union of the Oil and Gas Development Corporation, a resolution was passed calling upon the corporation's officials and workers and oil well workers in Sindh to cease work immediately.

The effects that such decisions will have on the country's economy now and in the future are obvious and need no elaboration. The people are being psychologically prepared for a rise in prices after the budget [approval]. Even if the government increases the pay of government employees by 10 or 15 percent, only a few hundred thousand employees will benefit, whereas the move will adversely affect several million and the natural outcome

will be the increase of unrest and upheaval in the country. Under such conditions, a continued state of confrontation among political parties without any hope of agreement will raise the specter of a hideous state of affairs facing the country. It is essential, therefore, to end confrontation and prepare the ground for agreement; but the greatest obstacles in the path to harmony and understanding are inflammatory statements which nip agreement in the bud.

At this time, when understanding is badly needed in the country, the ground has been prepared for discussions between the federal and Punjab governments with a view to reconciliation. Similar talks have begun in Sindh between the government and MQM [Muhajir Qaumi Movement]. In the frontier province, IJI [Islami Jamhoori Ittehad] has announced its support of the Sherojo government. These events indicate a change in the political climate of the country and a trend towards harmony rather than confrontation. As we have said before, an atmosphere of harmony can be damaged by inflammatory statements and accusations. Hence, Prime Minister Bhutto has directed the leaders and workers of the People's Party to refrain from inflammatory statements directed against the IJI leaders. If the leaders and workers of the People's Party follow this clear directive, IJI should then reciprocate positively and thus clear the path to an understanding. According to a report, the delegations of the Sindh government and MQM in Karachi agree that it is both essential and beneficial to refrain from inflammatory statements.

If a reconciliation should be reached between Punjab and the federal government, and here in Sindh, the government and MQM should work out a practicable agreement, a spirit of harmony will prevail throughout the country.

Commentary Examines 'Hyderabad Horror'

46000122A Islamabad THE MUSLIM
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[Article by Sultan Ahmed]

[Text] Karachi, May 23: Hyderabad, the second largest city of Sindh in whose relaxed life style good living Sindhis once took great pride, has become a horror city. With over 1.5-million population, it has been afflicted by ethnic animosity long before Karachi. It witnessed recurrent waves of killing, and shifting of population to compact areas on an ethnic basis where the urban Muhajirs under the MQM [Muhajir Qaumi Movement] and young Sindhis under the equally militant Jeay Sindh have been looked in a deadly conflict for a long time now.

The horror reached its peak on September 30, 1988, when over 200 people were killed through a well-planned and swiftly executed scheme. When Dr Kadir Maqsi, who allegedly organized that killing, was arrested there had been widespread protests and violent demonstrations in Sindh towns to express solidarity with him.

Curfew has become a way of life in Hyderabad and its twin city of Lateefabad which remain in the grip of dreadful rumors and cold fear even when under curfew.

The futility of curfew, supervised by the army, was demonstrated on Saturday when rockets were fired into the city from launchers, killing and injuring several people. The city was buzzing with rumors that the water supply system had been poisoned and poisoned milk was being sold. Hence frantic appeals to the people of Hyderabad not to drink milk and water. The rumors, however, proved false.

The number of people killed until Monday was estimated by some as 38 and by others as 52. The Sindh Government protested against the exaggerated and distorted versions of what has been happening in Hyderabad as published by the Karachi Press.

Sindhis argue that some of their young men resorted to the use of rocket launchers after many of their old families were ejected from their ancestral homes in Hyderabad and sent to refugee camps. They said they, who welcomed the refugees from India in 1947 and afterwards, did not expect to find themselves in refugee camps today, and they (Sindhis) had to take effective measures to protect themselves.

Their anger against the inefficacy of the government to protect them resulted in attacks on the car of Sindh Information Minister Naveed Qamar and another minister, when they visited the Karimabad camp. The consensus among both the Sindhis and Muhajirs is that the Hyderabad administration had failed. But the fact is that in the face of such extreme animosity between ethnic groups and the very large number of arms being used freely by both sides, no administration can achieve success. Newspapers reported that 12 people were killed in Hyderabad and Lateefabad on Monday, but an official Press note claimed only three deaths.

The ethnic divide in Hyderabad is absolute with the Muhajirs inside the city and the Jeay Sindh elements around it. Highways have been blocked and buses and cars looted.

As a result of the chaos industries in Kotri and other areas in the region are paralyzed.

Earlier, for a long time Muhajirs, who had moved into rural areas and small towns were pushed out particularly from Tando Allayar and Tando Mohammad Khan. Recently even Hala, which is dominated by the Makhdoms of Hala has witnessed ethnic unrest.

Sindhis say they do not want any more influx of Muhajirs into new areas as they fear they may lose these areas as well to the Muhajirs, just as they lost Karachi and Hyderabad. Hence in many of these areas businessmen have not been able to sell their property even at low prices and more Muhajirs in the rural areas are now under threat to quit their homes.

The Jeay Sindh wants to do all it would to prevent the birth of a Muhajir province in Sindh following the MQM's demand that Muhajirs be recognized as a nationality, Jeay Sindh regards that it is now doing a kind of last ditch effort to save Sindh from being divided.

The enmity between Sindhis and Muhajirs in Hyderabad began when entry of Muhajir students into Sindh University and major educational institutions like the Liaquat Medical College was obstructed. Later they were prevented from appearing for examinations. All that outraged the Muhajirs.

Earlier, the Hyderabad Muhajirs entered into an alliance with Punjabis and Pukhtoons to safeguard their interests. Later some of them joined the PPP [Pakistan People's Party], but in recent years when the enmity between Sindhis and Muhajirs touched its peak the latter joined the MQM and elected Aftab Shaikh as mayor and later member of the National Assembly, along with another MQM MNA [Member of National Assembly] from Hyderabad.

While Sindhis find it hard to digest the dominance of the city by Muhajirs, dacoits and kidnappers have been very active against both rich Sindhis and Muhajirs. Some of the victims of dacoities have been rich Hindus. Unemployed young Sindhis who like to make quick large fortunes have taken to crimes in collusion with the police.

While the MQM is urging President Ghulam Ishaq to perform his constitutional duty, businessmen of Hyderabad want the city handed over to Army. Although the Corps Commander of the area Lt General Asif Nawaz

visited Hyderabad this week the Army is reluctant to take over the city. As Army Units will have to be posted not only in Hyderabad but also in several other towns, the Army would not like to spare so many troops at a time when they are needed on the borders.

Despite that if it takes over the city the Army would demand full authority with no interference from the civilian rulers. Sindhis are opposed to such a move.

The Combined Opposition Parties under Ghulam Mustafa Jatoi have called on the President to exercise his constitutional powers and declare emergency, suspend the Sindh Government, and impose governor's rule.

Governor Fakhruddin G. Ebrahim is, however, not anxious to take over charge. In fact, he wanted to resign after completing his first year in the office. The President cannot declare a state of emergency in Sindh unless advised by the Prime Minister and his action has to be approved by the National Assembly.

Some of the leaders have been suggesting a joint peace march to Hyderabad but that will not be possible as long as the city is under curfew.

All parties conference at the provincial level as agreed to by Chief Minister Aftab Shaban Mirani, could have been a better solution but such a conference is not forthcoming. Further talks between the PPP and MQM would have been helpful but they too are not being held.

Meanwhile, the law-enforcing agencies are making a determined bid to comb the city for illegal weapons. But unless enlightened leadership prevails in bringing the two communities closer on a mutually acceptable basis, far worse can follow with disastrous consequences for all.