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# **Near East & South Asia**

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# Near East & South Asia

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24 May 1990

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## REGIONAL AFFAIRS

### Arab Common Market Promoted To Equal That of Europe

90AA0053A Cairo AL-JUMHURIYAH  
in Arabic 2 Apr 90 p 5

[Article by Hafiz Mahmud: "In Order That Solidarity May Be.....Solidarity"]

[Text] The delightful phrase which is being repeated now by the Arabs from top to bottom and from bottom to top is the phrase "Arab solidarity". If what is meant by solidarity is unity of direction or partnership, be it intellectual or emotional, this solidarity is now realized in a way which may be unprecedented except in historical or crucial situations. But if what is meant by Arab solidarity is unity of joint Arab action, that is something else which is not sufficient for us to hoist the banner of solidarity, since some thinkers think that we are not united in solidarity. The prevailing opinion, in fact all opinion, is that we intend, by the phrase "Arab solidarity", in these circumstances, unity of joint Arab action in general and in detail. This is what Egypt is attempting.

I want to say that we have now passed the stage of "unity of speech" and must confront the stage which follows it, which is "unity of measures."

The question now is: Does what emanates from our Arab actions now represent unity of measures?

Then, what are the unified measures desired of us now as an Arab people?

Is it true that if our speech is unified we will automatically achieve solutions to all the Arab problems?

How?

What is certain is that, vis-a-vis the Palestine cause, we have the heart of one man, and the irresponsible talk which comes occasionally from organs responsible in form but not responsible in substance is of no consequence.

What is certain is that, vis-a-vis the problem of Lebanon, there is no difference among us on anything. No Arab, high or low, does anything but call for the elimination of the armed partisan conflicts in Beirut, in order that Lebanon may return to its unity and bear its responsibility.

What is certain is that, vis-a-vis new international situations, we do not have incompatible views. Rather, those who might have other ideas in the Arab world with regard to international developments cannot implement them because no one abroad will halt with some of them the ways of the old policies which existed previously.

We are now confronted with a new world, a new idea, and a new mode of cooperation among nations. Does

anyone think that if the Arabs stick together in words, we will succeed in confronting this new [situation]? And do we differ on anything?!

A week ago, Tubruq, Libya, witnessed an unprecedented scene of harmony among colleagues. With President Husni Mubarak and President Hafiz al-Asad attending a Libyan celebration during Liberation Days, the meeting of the two presidents and President Mu'ammr al-Qadhafi was a sign of the conclusion of the chapter of difference of opinion and the unfolding of the chapter of unity of speech. What President al-Qadhafi said in his speech on that occasion reveals that we have passed through the defeat of differences and have set up the route of accord.

What more than that was desired in heading toward Arab solidarity?

In the other Arab summits, I think that our ears have been filled for a long time with the words of definite solidarity on the part of the leaders of the Gulf, in addition to the other Arab leaders.

Thus Arab solidarity, as an idea and a sentiment and a general trend, has spread from the ocean to the gulf, but the full translation of this solidarity remains.

Egypt has taken a step on the way to translating Arab solidarity, in that joint committees were set up between her and most of the sister Arab countries to unify action and production between her and those countries. Then the three Arab cooperation councils arose, beginning with the Gulf Cooperation Council, then the Arab Cooperation Council, and ending with the Maghreb Cooperation Council....

If we want to be candid, these organizations, even though their benefit is obvious, are nonetheless proceeding with less swift strides than those of the bloc of European states which will change the face of economic relations in the world in the next two years.

Why are we less swift?

Because we still have not achieved the stage of unity of joint Arab action. Joint Arab action means that we have a politically and economically coordinated Arab bloc from the ocean to the gulf, and it is not enough that the joint action be between two or more states whose circumstances are similar. This is a very sound solution when we are in international circumstances other than these circumstances. In these circumstances, unity of joint Arab action remains to be translated, and if we do not do this translation well, in a comprehensive way, the result will be that the others will exhaust our powers and our potentials state by state according to their own interests.

Therefore, I sincerely hope that we do not consider foreign economic forces' advancing on a country beneath one of our countries. This means the existence of a plan

which makes the poor poorer and the rich richer. Then calamity befalls this and that in the international speculation markets.

We demand, herewith, heretofore, and hereafter, that this situation be faced. It is a confrontation which requires first that we carefully calculate our resources as an Arab bloc so that we may see how much we can counter the outside world as one Arab bloc without dropping from our calculations what each country deserves for what it provides.

This calculation requires that the Arab Common Market be set up immediately to stand face-to-face with the European Common Market and others. Thereby we will have translated the slogan "Arab solidarity" into action.

## PALESTINIAN AFFAIRS

### Moda'i on Situation, Rivals

44230117D Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 2 Mar 90 pp 6-7, 20

[Interview with Economy and Planning Minister Yitzhaq Moda'i by Dan Shilon; place and date not given]

[Text] [YEDI'OT AHARONOT] Yitzhaq Moda'i, do you suffer from a split personality?

[Moda'i] No, absolutely not. No elements are pressuring me so that my personality would be split.

[YEDI'OT AHARONOT] Are there perhaps two Yitzhaq Moda'is, one who is intelligent, cultured, and well mannered, and another who is aggressive, degrading, hurtful, and reckless?

[Moda'i] No, there are not two. There is only one Moda'i, who has two extremes. But he is entirely one. Sometimes, positions have to be presented. When they are not only not accepted, but not even heard, there are outbursts.

[YEDI'OT AHARONOT] Is this what causes so many in politics to doubt your sanity?

[Moda'i] I do not know if there are so many, but that could certainly be the case. It is all based on rumor told from one person to the next. There are prime movers in this regard.

[YEDI'OT AHARONOT] Does it need to be mentioned that the prime mover in this regard was Simha Erlich, who, 11 years ago, told journalist Ya'ir Qotler that "Moda'i's behavior is a matter for a psychiatrist"?

[Moda'i] Such expressions have been used only by people to whom I was a significant rival, rivals whom I have threatened intellectually, or in terms of their performance ability. Otherwise, they would have to acknowledge their stupidity or inability.

[YEDI'OT AHARONOT] Whom do you mean?

[Moda'i] I mean those whom you meant when you said that there were such people.

[YEDI'OT AHARONOT] Do you not know them?

[Moda'i] I know some of them, to my regret.

[YEDI'OT AHARONOT] Why do you not actually provide your rivals with an official medical certificate testifying to your psychological condition and thus stop the rumor mill?

[Moda'i] Are you joking. Does that mean that if I call you "crazy" now, you would run to fetch me a medical certificate that testifies otherwise?

[YEDI'OT AHARONOT] If so many were to testify that I were crazy, I would perhaps have no choice but to seek a medical examination.

[Moda'i] If so many are needed to testify against you, I could recruit all the people in my ministry. According to this logic, you would be compelled to immediately produce a medical certificate.

[YEDI'OT AHARONOT] Are you a well-balanced person?

[Moda'i] I am definitely well-balanced. Perhaps too much so at times. I mull over things and reflect too much. I deliberate excessively over all kinds of options, some of which are not even practical. Another part instructs that reality is more extreme than any fantasy.

[YEDI'OT AHARONOT] Does this drive you to political recklessness?

[Moda'i] No. You are mistaken if you think that several acts that seem to be "reckless" are unbalanced.

[YEDI'OT AHARONOT] You yourself stated, in an interview with HA'ARETZ, that you sometimes lose control.

[Moda'i] What is it to lose control? True, I respond very sharply.

[YEDI'OT AHARONOT] You are then forced to apologize.

[Moda'i] I see no fault in that either. I have compassion for those who do not know how to apologize.

[YEDI'OT AHARONOT] Is your tongue your greatest enemy?

[Moda'i] No, absolutely not. With this tongue, I perform necessary, useful, and even pleasant deeds.

[YEDI'OT AHARONOT] Is it true that Arab children tried to cut out your tongue when you were a youth?

[Moda'i] This was in the course of a quarrel. They hit me on the head when my tongue was out. I was playing julim [meaning unknown] and I very much wanted to be

accurate. One of the poses was with the tongue out. It is all true, but it has no connection to the tongue that you mentioned.

[YEDI'OT AHARONOT] Virtually no one in Israeli politics has escaped your sharp tongue and criticism. Why?

[Moda'i] Perhaps this indicates the level of those involved in Israeli politics. However, there are also many whom I have not subjected to my sharp tongue. For example, I have no criticism for Mr Menahem Begin, although I did not always agree with him. I greatly respected him and his intellectual honesty.

[YEDI'OT AHARONOT] You have apparently forgotten that you also attempted to strike him down. In Begin's era, as at present, you attempted to establish an independent group within the Likud, which was supposed to threaten the Likud leadership.

[Moda'i] It is correct that I established a group. However, it was not based on demands for portfolios, but on the preservation of the Liberal Party's independence. I was not willing to accept degrading treatment from anyone, not even Menahem Begin. I both agreed and disagreed with Menahem Begin in this regard.

[YEDI'OT AHARONOT] At the time, as at present, you attempted to present the issue as an ideological debate. However, many in your party, such as Tzvi Rener for example, state that you attempted to stage a "putsch" against Menahem Begin and to push him out of the leadership.

[Moda'i] I have a suggestion: Interview Tzvi Rener. If you can obtain answers from him, and if you get the impression that his personality has sufficient weight to make observations or to declare an opinion on such subjects, I will concede and acknowledge that I erred.

[YEDI'OT AHARONOT] You have criticized and defamed almost every finance minister. It is enough to recall your harsh remarks about Erlich, Horovitz, Aridor, Kohen-Orgad, Nisim, and Peres. Are all of them are so stupid? Are you the only genius in Israel?

[Moda'i] That question is biting and hurtful, but I will nonetheless answer it. It is very easy to examine finance ministers based on the results of their performance. The total liberalization policy of Erlich, peace be upon him, was nearly catastrophic. It almost sank into a hopeless quagmire. A near drowning.

Subsequently, there was Yig'al Horovitz' more solid policy. However, it did not push forward. Then there was the policy of Aridor, who to this day thinks that the policy of foreign currency dumping and dollarization was justified. I see no reason to even argue with him. Then came the policy of the transient guest minister....

[YEDI'OT AHARONOT] Do you mean the policy of Yig'al Kohen-Orgad?

[Moda'i] Yes, Kohen-Orgad. He is a clever businessman, but I do not think that he could have done what he perhaps wanted to do in the space of 1 year, if at all. Then I came. I inherited a difficult legacy, and look what I did. Shim'on Peres followed with the bus of the directors general and 100 projects. Everything is a fantasy with Peres.

[YEDI'OT AHARONOT] What about the devaluation he implemented the day before yesterday?

[Moda'i] This devaluation is a correct step, but it is not at all enough to start economic growth.

[YEDI'OT AHARONOT] Is it coincidental that Moshe Nisim's name is absent from your list of finance ministers?

[Moda'i] No. It is no coincidence that I did not mention his name. I do not like the sanctimonious.

[YEDI'OT AHARONOT] How is he sanctimonious?

[Moda'i] If you had heard him this week on the radio, you would have heard him talk smoothly, like a paragon of virtue. No, he did not put his stamp on anything.

[YEDI'OT AHARONOT] I would remind you that there were significant economic gains during Moshe Nisim's tenure. The economic climate was relaxed and inflation declined to its lowest level.

[Moda'i] Well, now, really....

[YEDI'OT AHARONOT] Why are you laughing?

[Moda'i] I certainly am laughing. There is a difference between a policy of "don't make waves," which Nisim followed in the 2 years after my tenure, and emerging from inflation of 400 to 500 percent, which I did.

[YEDI'OT AHARONOT] In sum, you are acknowledging that you have not esteemed a single finance minister other than yourself since the Likud's ascent to power.

[Moda'i] There are many non-Israeli ministers for whom I have praise, such as the British finance minister in his time, or the German finance minister.

[YEDI'OT AHARONOT] You live in Israel.

[Moda'i] To my great regret, I can praise neither the Likud finance ministers nor the current Labor finance minister.

[YEDI'OT AHARONOT] We will return to him later. However, what must we learn about you from the fact, which is unprecedented in Israeli politics, that, as a minister, you were dismissed twice from the government?

[Moda'i] You are really trying to reveal my explosive side. You will not succeed. You have apparently forgotten the pretexts for my dismissal, which were announced at the time. These were pretexts, not true

reasons. They attempted to ascribe everything to statements that I had made at the time. However, these were the statements of a fine young man compared to what is being said at present.

True, they were a novelty at the time. However, the expression "flying prime minister," which I used regarding Peres, was refined compared to a much harsher expression that I used regarding Shamir, for which, incidentally, I apologized.

[YEDI'OT AHARONOT] Do you mean your definition of Shamir as "of low political stature"?

[Moda'i] I do not deny that I made the remark. Nor do I deny that I apologized. I am not proud of saying it, and I am certainly not proud that I was compelled to apologize. By the way, no one forced me to apologize. My conscience instructed me to do so.

However, when you remind me of the two times that I was dismissed, you must also recall the terrible treachery of my friends, who were just waiting to prey. One should recall my successor, Moshe Nisim, whom I appointed to the post of finance minister. When he entered office, he stated that he had a sacred trust. He subsequently grasped the chair with his two hands and threateningly demanded to continue in the post after the government rotated. Is that a sacred trust?

[YEDI'OT AHARONOT] At the end of the Likud center meeting, you promised a political missile in an interview with the IDF [Israel Defense Forces] radio station. Has the missile been launched? What is the target?

[Moda'i] The missile was being prepared for many months, during which almost all of my colleagues in this campaign demanded of me that we leave the Likud, because we lack weight, are despised, and are discriminated against. It was I who applied the brakes. I entertained the hope that at least the memory of the Liberal Party would survive. But even this did not happen. They not only threw our ideology into a dark corner, but also the bearers of that ideology.

[YEDI'OT AHARONOT] This smells very personal.

[Moda'i] Completely to the contrary. First, they damaged the ideology. But when they destroy the ideology and then those who bear it, there is no room to grow.

I know that there are people who love to hate me. So what? Do you think that all politicians are loved? Many politicians are depicted among the public in a distorted manner. You, the journalists and the photographers—the photographer accompanying you as well—always manage to find my most negative pose. Why? I have handsome pictures of a very nice man, of an artist. So why do you do this to me? There is malice here. Also, I still remember David Levy's jokes....

[YEDI'OT AHARONOT] I do not manage to be reminded of many jokes about Yitzhaq Moda'i.

[Moda'i] No, there are no jokes about Yitzhaq Moda'i. He is too serious to be part of jokes. But to tarnish, to provide some distorted pose, some biting comment like "papaya" and "shampaya"—this yes.

[YEDI'OT AHARONOT] I would like to bring you back to your current political course, or to what many call political suicide.

[Moda'i] Prattle. It is a kind of prattle that has yet to see the light of day. Was not our original position that we want to remain part of the Likud, albeit a part that stands on its feet, just like Ometz.

[YEDI'OT AHARONOT] To bargain with Yitzhaq Shamir?

[Moda'i] To move away from Yitzhaq Shamir, while still remaining in the Likud. We simply wanted to stand on our feet. We did not seek any pledge. We did not ask for anything. Then comes the sage of the generation, the head of the Knesset committee....

[YEDI'OT AHARONOT] Hayim Qorfu?

[Moda'i] Yes. Without any regulatory or legal basis, he asked that we first submit our resignation from the faction. He thought that he would be rid of us in this way. We submitted our letter in exactly 15 minutes.

[YEDI'OT AHARONOT] What if, tomorrow, Yitzhaq Shamir were to offer you a guarantee of seats in the next Knesset?

[Moda'i] Envoys have already been sent, and enticements were offered.

[YEDI'OT AHARONOT] And what happened?

[Moda'i] I am not willing to specify. The proposers know exactly what they proposed. They tried the method of "divide and conquer." Such a method can cover some distance, but it does not lead to victory. Only one who has no alternative can be impressed in this shameful and degrading way.

[YEDI'OT AHARONOT] Nahum Barnea' wrote this week in YEDI'OT AHARONOT that you "are an expert in the game of Russian roulette." Is that correct?

[Moda'i] Our present course is not Russian roulette. They—the others—are trying to play Russian roulette.

[YEDI'OT AHARONOT] Who are "they"? Is Shamir engaging in suicide exercises?

[Moda'i] There is no doubt that Shamir is committing political suicide. If he transforms the Likud into the second largest party, it is clear that the president will summon Shim'on Peres to form the next government. Incidentally, Peres has no chance of forming a narrow government.

[YEDI'OT AHARONOT] Perhaps he is building on you?

[Moda'i] Excuse me, he is not going with me.

[YEDI'OT AHARONOT] Not going or will not go?

[Moda'i] He is not going with me, because I am not going with him.

[YEDI'OT AHARONOT] You are determined to speak in the present tense. What about the future?

[Moda'i] If I am an independent faction, I do not want to tie my hands in any way.

[YEDI'OT AHARONOT] Does that mean that you will be willing to join forces with Shim'on Peres, whom you have not spared a single word of criticism and defamation?

[Moda'i] You have problems with your imagination. Politics without imagination is wood-chopping. In politics, one needs to use one's imagination more to understand the many possibilities. Shim'on Peres was not born at the head of the Labor Alignment. Even if he continues to head the Labor Alignment, some of my people may go with him while I do not.

[YEDI'OT AHARONOT] In your view, who is more dangerous to state security, Yitzhaq Shamir or Shim'on Peres?

[Moda'i] The question must be related to the facts. Yitzhaq Shamir's position is of course closer to my own position. However, I do not accept his method. What will happen is that Yitzhaq Shamir will break through the mine field to contacts with the Palestinians. Subsequently, the Labor Alignment will establish a government, and we will not be able to make claims against it, because it will be continuing on the same path that Shamir opened for it.

[YEDI'OT AHARONOT] Is Yitzhaq Shamir leading the people astray?

[Moda'i] He is doing so unconsciously. If he were to do so deliberately, I would think much more terrible things about him. Shamir is similar to a bus driver who believes in his ability to travel at high speed toward an abyss and then stop at its edge by only stepping on the brakes. I am not willing to take a chance on this bus driver when I am sitting in his bus.

[YEDI'OT AHARONOT] Then why do you not leave the government?

[Moda'i] Participation in the government provides several advantages regarding weapons essential for political warfare.

[YEDI'OT AHARONOT] In the meantime, you continue to sit in a bus speeding toward an abyss? Why not jump out while you can?

[Moda'i] Yitzhaq Shamir will not get far driving this bus.

[YEDI'OT AHARONOT] Are you a team player?

[Moda'i] Not usually. I am not a team player. It is very difficult to work with me, because of my speed and exceptional originality.

[YEDI'OT AHARONOT] Moshe Nisim stated last week on the radio that Yitzhaq Moda'i is not worth even one half of a mandate politically.

[Moda'i] According to the surveys this week, our public support is great. Fifteen percent of the public support our course.

[YEDI'OT AHARONOT] Do you really believe that 15 percent will vote for you on election day?

[Moda'i] I believe that I brought more votes to the Likud than the Likud gave me.

[YEDI'OT AHARONOT] Does that mean that you will be willing to compete for votes directly, outside of the Likud?

[Moda'i] If the Likud removes us from within it and does not recognize us as a group, we will no doubt compete for votes and stand on our feet. We will be an open party, with many young forces.

[YEDI'OT AHARONOT] Young forces such as Avraham Sharir? Does he symbolize your electoral magic?

[Moda'i] Sharir would have to demonstrate that.

[YEDI'OT AHARONOT] Is he able?

[Moda'i] I hope so. However, I cannot speak for Avraham Sharir, nor for anyone else.

[YEDI'OT AHARONOT] Sharir, you may recall, is one of five people with whom you are currently going, although you made many harsh remarks about him in the past.

[Moda'i] Can Peres or Shamir say that their supporters represent electoral power? Why exactly are you asking me this question?

[YEDI'OT AHARONOT] I ask because, for many years, the Liberals have been perceived as political parasites who have not contended for votes.

[Moda'i] Precisely because we have not competed for years, the time has come for us to compete, and we will see what our value is. We will see which segment of the public is liberal. True, we have weakened politically since joining the Likud. Herut members occupied positions, mainly in the Begin era. Now, it is no longer occupation, but simply theft.

Therefore, the time has come to stand on our feet. The Liberals, who have attempted to continue existing under the Likud's wings in hopes of obtaining some bone, will die of hunger. They no longer interest me.

[YEDI'OT AHARONOT] Is it possible that you will be speaking differently 2 weeks from now?



[Moda'i] I already told you that a great deal of imagination is needed in political life.

[YEDI'OT AHARONOT] Do you currently know something that we do not?

[Moda'i] Yes. Your problem, Dan, is that if you do not actually see something, it does not exist for you. When I told you that I was about to launch a missile, you thought I was half crazy. Look what happened. Clearly, you lack a political imagination.

[YEDI'OT AHARONOT] What do you hope for in your political life?

[Moda'i] Rehabilitation.

[YEDI'OT AHARONOT] Are you a healthy person?

[Moda'i] I am currently very healthy. It is even said that I am healthier than ever.

[YEDI'OT AHARONOT] Are you strong politically and personally?

[Moda'i] Personally, I am strong. Politically, I will have to prove it, and I am prepared to do so.

[YEDI'OT AHARONOT] Are you satisfied with yourself?

[Moda'i] I am filled with self-criticism.

[YEDI'OT AHARONOT] Until the press announces it.

[Moda'i] Correct. There is a great difference. The press has loves and hates.

[YEDI'OT AHARONOT] The press actually likes you. You give it many headlines.

[Moda'i] I would like to stay away from such love. It is a bear hug. However, if the press makes a living from me, I should at least receive some benefit, some dividend.

[YEDI'OT AHARONOT] I am not authorized to offer you a dividend, but I can offer you the opportunity to give me a heading for the end of the interview.

[Moda'i] Please: The situation is bad. It will be good.

[YEDI'OT AHARONOT] Thank you.

### 'Arafat Adviser Explains PLO Policy

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in Hebrew 2 Mar 90 pp 4, 5, 7

[Interview with Nabil Sa'at by Yehoshua' Me'iri; date, place not given; first three paragraphs are introduction]

[Text] Nabil Sa'at is not, and never was, a political activist. He climbed the ranks to the PLO leadership as a political thinker. To this day, he is considered to have great influence over the determination of Yasir 'Arafat's policy. Sa'at, who served as the chairman of the PLO conference held in Tunis in 1989, currently chairs the

PLO political committee and is behind most of the organization's political developments. In the United States, he is a media star, a man who is careful to present the nice, smiling side of the PLO and to talk with everyone.

Nabil Sa'at was not born in Jaffa, but in France. However, he represents himself as a "Jaffan by origin." He studied in Cairo and then at the University of Pennsylvania in the United States. From there, he returned to Egypt to go into business. He is currently living for all intents and purposes as an Egyptian. Sa'at is not among those who are particular about constantly being in 'Arafat's company. However, he has maintained close contact with him over the years. When the PLO was located in Beirut, Dr Sa'at was the dean of the School of Business Administration at American University in Beirut. His extensive connections with public figures in the United States continue to this day and benefit the PLO. Sa'at is actually the person through whom the Americans began their contacts with the PLO.

In 1971, Sa'at was still among the supporters and promoters of the idea of "a secular, democratic state," or one state for two peoples. Israel rejected the idea, because it actually invalidated the Jewish basis for its existence. Sa'at now says that although he still considers the idea worthwhile, he understands us.

[HA'ARETZ] Can it be said that, over the years, Israel's stubborn rejection of different ideas put forth by the PLO ultimately caused you to moderate your demands of Israel?

[Sa'at] The idea of one state for two peoples was a good idea in my opinion, and any person who is a liberal and a democrat can identify with, or at least consider, it. Perhaps this idea is too advanced. In any case, it was adopted at the Palestinian conference in 1971 and became the first sign that the PLO was abandoning old ideas and deciding to move toward coexistence. After Israel rejected the idea of a secular, democratic state entirely, we shifted to demanding a division into two states. We have come a long way. To say that rejections subjugated us, and to consequently deduce that additional rejections will subjugate us further is not constructive at present. Why not simply sit and talk?

[HA'ARETZ] It is hoped that you will distance yourself from terror and, as a good-will gesture, stop the intifadah.

[Sa'at] It is clear that this will not happen as long as there is no progress toward an agreement. As long as we delay further, more and more extremist elements will enter the game. This situation lends legitimacy to extremism on both sides.

[HA'ARETZ] Do you mean the attack against the bus in Cairo?

[Sa'at] On several occasions, the PLO has committed itself not to attack civilians. Such a decision is contained

in the Cairo declaration of 1986 and in the final communique of the PLO conference of 1988. We will not be involved in any operation against unarmed civilians. Accordingly, it should be clear that the action against the Cairo-bound bus is a bad action in our view, and it is contrary to our commitment. We rejected and condemned it. I think that many people in the Palestinian movement now oppose actions of this type and think that they must be prevented. The problem is that the PLO does not have a police force to enforce its decisions. Nor does it have permission to bear arms, including in Egypt. This problem becomes more complicated as the frustration grows.

[HA'ARETZ] How do you view the unceasing killing of all the so-called collaborators?

[Sa'at] As everyone knows, war is a very tragic event that people do not at all choose to experience unless they have failed in their struggle to obtain rights by other means. A Palestinian uprising currently exists. There is a very active opposition movement against the Israeli occupation. At least 70,000 have been injured. In such a situation, it is impossible to expect law and order. When you have a state with laws, police, and a court, you can also impose order. I think that great crimes were committed under the protection of the opposition. Mistakes were made. No one is permitted to take a life unless a court decides that someone deserves such punishment, and this is certainly not the situation at present in the territories.

[HA'ARETZ] Faysal al-Husayni stated to those close to him that if the detainees are released, if the deportees are allowed to return, and if a climate of negotiation is created, he would be willing to stop the intifadah.

[Sa'at] Faysal al-Husayni is the leader of the intifadah. He is the leader of the Palestinians in the occupied territories, and he has a right to explain the intifadah to people and declare what must be done in the future. I assume that al-Husayni spoke only about the cessation of some intifadah activities, not the cessation of the intifadah itself, because it cannot be stopped until there is progress in some direction. The intifadah is currently not only the sum of actions carried out in its duration, but the body that represents the Palestinian national movement in the occupied territories. There is also the matter of the growth of a leadership and the building of a social organization. At present, the intifadah is the people. Therefore, it cannot stop until a state is established. The intifadah is entitled to decide which tactic to use to reach negotiations.

[HA'ARETZ] Are there already negotiations in fact?

[Sa'at] No. True negotiations will occur when the two parties recognize each other and the fact that the boundaries of negotiations are UN Resolutions 242 and 338. In other words, land in exchange for peace. It is necessary to first recognize these two principles, and then to advance to a specific discussion of how to apply them.

[HA'ARETZ] Nonetheless, Shamir has met with Palestinian leaders from the territories.

[Sa'at] Shamir can invite Faysal al-Husayni to his office tomorrow, just as he invited Tarifi and many others in the past. However, this is not a negotiation. This is a discussion between the occupier and the occupied. Negotiations require two equal partners. The Government of Israel must determine, together with representatives of the Palestinian people and the PLO, the framework of negotiations. It is impossible to conduct negotiations without a framework.

[HA'ARETZ] What is the framework?

[Sa'at] The exchange of land for peace and mutual recognition. Which agreement will we reach? Which are the guarantees for the future? All of these matters must be discussed in an international conference. There guarantees can only be provided through international recognition and support.

[HA'ARETZ] The matter of an international conference is apparently no longer on the agenda. Perhaps you will have to be satisfied with American guarantees.

[Sa'at] The guarantee of the United States, which is a third party, is a type of international guarantee. However, the United States is one party, and it is currently important to permit the participation of the Russians, Europeans, and other Arab states. Israel wants peace not only with the Palestinians. I am certain that a peace agreement would be neither complete nor applicable unless the Arab states sign it.

[HA'ARETZ] Shamir thinks that it is necessary to begin in general with the Arab states. He agrees with you on this matter.

[Sa'at] The Arab states already agreed among themselves, at the Casablanca conference, that the focus of the problem between Arabs and Israelis is the Palestinians—the Palestinian problem. The Arab states have no other reason for a confrontation with Israel, and I assume that after this problem is solved, general normalization will come.

[HA'ARETZ] Why are you delaying so much over the composition of the delegation. Has it not already been possible to move forward?

[Sa'at] It is impossible to divide the Palestinians. Therefore, any Palestinian delegation must include Palestinians from the occupied territories and Palestinians from abroad. The deportees can represent the Palestinians abroad. Residents of Jerusalem, which is a very important part of the occupied territories, must be among the representatives of the Palestinians in the territories. The population in Jerusalem is an essential part of the population in the West Bank, and its leaders are several of the most important leaders in the West Bank and Gaza. Faysal al-Husayni, Sari Nusaybah, and others cannot be excluded from this delegation.

[HA'ARETZ] Then why does the PLO oppose holding elections?

[Sa'at] The PLO does not oppose elections, but it is seeking guarantees, so that these elections will be true, democratic, free elections, in which everyone votes, and whose results can be respected. It is understood that we prefer elections after a withdrawal. However, we are willing for them to take place before a withdrawal, provided that it can be ensured that the elections are clean. This topic is supposed to come up for discussion in the meeting of Israelis and Palestinians in Cairo. We have already made many suggestions, and they are included in the framework of the 10 points of the Egyptian plan. This plan includes several proposals that will ensure free elections. It also includes guarantees that will ensure that elections are part of a total peace process at the end of which the right to Palestinian self-determination will be realized. We want a package deal. If the elections are a first step in a package deal, we at least want several agreements on the content of the package.

[HA'ARETZ] The problem is that Egypt is not viewed in Israel as an objective state; it is thus not possible to act on the basis of its proposal.

[Sa'at] President Mubarak selected 10 points from a range of topics that were discussed between the PLO and the Americans. He did not automatically choose whatever the PLO wanted.

[HA'ARETZ] For example?

[Sa'at] For example, Egypt's 10 points do not deal with Israel's withdrawal. Nor do they clearly discuss Palestinian self-determination. From our standpoint, many other matters are also lacking in the 10 points.

[HA'ARETZ] You state that there are no negotiations, but here is an example of indirect negotiations between the parties.

[Sa'at] Without doubt, there are negotiations through America and Egypt, and it is also possible to state that many official Israeli representatives are now in one way or another developing a dialogue with the PLO. Notes have even been sent to 'Arafat by Israeli leaders of all political hues, including the Likud and the Labor Alignment.

[HA'ARETZ] Who from the Likud sent such a note?

[Sa'at] Shamir.

[HA'ARETZ] Did he transmit a message to 'Arafat?

[Sa'at] Yes, indirectly. Someone conveyed it on his behalf.

[HA'ARETZ] Who?

[Sa'at] I am not authorized to mention names and dates. However, I assure you that personal messages were exchanged between Shamir and 'Arafat through a third

element. I do not believe that they ever spoke by telephone. However, last year, a message was transmitted from Shamir to 'Arafat through Palestinians and through another element.

[HA'ARETZ] Many Palestinians participating in the uprising claim that they have not conceded the idea of returning to Jaffa, Haifa, Lod, and so on.

[Sa'at] Here, I must clarify beyond any doubt: When we talk about a Palestinian state, we are talking only about the West Bank, including Jerusalem and Gaza. We recognize that there are Palestinian Israelis currently living in Jaffa, Haifa, and other places, and it is likely that there will be Palestinians who will be granted the possibility of joining their families in these places. However, in that case, they would be Israeli citizens.

[HA'ARETZ] What guarantees can a Palestinian state give to Israel? Perhaps a promise not to establish an army?

[Sa'at] It is precisely for this reason that negotiations are needed. Israel will not withdraw from the territories until it is clear that there is a solution acceptable to both parties. It is essentially very difficult to promise to establish a Palestinian state without an army. It is difficult to see how this could happen, because a minimal military force able to defend the commitments of which we spoke earlier would at least be needed. The question is not whether or not there will be an army. The question is which army and under which terms.

[HA'ARETZ] Would the PLO agree to the Israeli Army remaining on the Jordan as a security measure for Israel?

[Sa'at] I cannot agree to anything in my present position. All of these subjects are open to negotiation. No one is asking Israel to agree to something before the principles of the package deal are accepted by the two parties. Part of the problem is that we do not trust each other. We still think in terms of war instead of peace. You are always thinking about where to put more army. Such thinking will not end the intifadah.

[HA'ARETZ] You have come a long way from the idea of a greater Palestine to living next to Israel. Perhaps Sharon is right when he says that the weaker you are, the more moderate you will become.

[Sa'at] We have not become weak. We have changed. People do not change out of weakness, but out of a realistic perception of the situation. Mr Sharon claims that if Israel is unbending, we will change further. Every occupier thinks in this dangerous way. If you want a state like South Africa, surprises are being prepared for you, surprises which you cannot even begin to imagine. I do not want to be pessimistic, but people like Sharon have made many incorrect decisions, including Sabra and Shatila. Even he now acknowledges that this was an incorrect view of the situation.

Does Israel want to enter into a new arms race in the region? Does it want to lose the peace with Egypt? Is

Israel prepared to take responsibility for a joint disaster befalling the Palestinian and Israeli peoples, because such a disaster could result from continued disregard of the Palestinians' declaration of peace and their willingness to sit and negotiate. Nothing good can come of the continuous killing now occurring in the territories. The fire must be put out. Ultimately, both you and the Arab states will have an atomic weapon, and I hope that we will only advance in a direction in which there is a guarantee of nonviolence.

[HA'ARETZ] Why do you insist on representing the Palestinians in the territories and do not allow them to conduct negotiations themselves?

[Sa'at] Certain people want to hide their heads in the sand and pretend that the Palestinian people and its leadership do not exist. If a brave Israeli leader were to come forward and say "let us stop this game and recognize that the Palestinians have a leadership, the PLO; let us meet face to face without preconditions," we would have total peace within a year.

[HA'ARETZ] Would not such recognition entail automatic recognition of the Palestinians' right of return?

[Sa'at] No. Shamir uses this argument to arrest the process. If he recognizes the Palestinian leadership, there will also be negotiations on the right of return.

[HA'ARETZ] And what about the idea of a confederation with Jordan?

[Sa'at] The Palestinians have accepted this idea in principle. However, it can be put into effect only if there is a Palestinian state, and only after the Israeli Army withdraws from the West Bank and the Gaza Strip. In the meantime, especially at present, when Shamir talks of a big Israel to absorb immigration, every Arab state, including Jordan, feels threatened by Israel. Has the Herut Party ever conceded its aspiration for both banks of the Jordan?

[HA'ARETZ] According to your remarks, the PLO has recognized the right of the Jewish people to self-determination. Why then do you oppose Russian immigration?

[Sa'at] The PLO has two clear positions. It is impossible to prevent Jews from leaving Russia if they so desire. It is also impossible to prevent them from reaching Israel if they so desire. However, the PLO wishes to ascertain that this is truly a matter of free choice, and that these people are not diverted to the territories. These are the conditions. Russian Jews do not have true freedom of choice at present. They are forced to leave Russia because of anti-Semitism, and they do not have the right to choose where to go. The Americans limit their immigration to America, and the Russians are not granting passports to the Jews that are leaving. Thus, every Jew that leaves is obliged to go to Israel.

We want a clear commitment that new settlements will not be established in the West Bank and Gaza for the

settlement of the immigrants from Russia. The West Bank and Gaza, which we have agreed to accept as a state for the Palestinian people, represent only 22 percent of the land of Palestine. Aside from this, Mr Shamir himself is responsible for transforming the exodus of Jews from Russia into a problem by declaring that a big Israel is needed to absorb the Jews from Russia. In other words, he himself said that he is using immigration from the Soviet Union to occupy more Arab land.

[HA'ARETZ] What guarantees do the Palestinians want?

[Sa'at] We want guarantees that Israel will not reoccupy Palestine, and that Israel will not again govern our cities and villages. How is it possible to build a modern state if 52 percent of our land and 88 percent of our water are not under our control. If peace is desired, we must be given a state that can exist in peace. We must have our own water, our own agriculture, and our own industry.

[HA'ARETZ] What are your predictions regarding political events in the near future?

[Sa'at] It is difficult to make such predictions, because the Israeli coalition has still not decided to face reality. The road to peace is very clear: negotiations with the Palestinian people. I think that the moment of decision is near. The Government of Israel must decide. If it wants peace, it must at least accept the minimal conditions that Baker presented in his plan for an Israeli-Palestinian meeting. Agreement on a timetable already exists. The other conditions are open talks, and a first meeting in which there is a discussion about the entire peace process, to be followed by the start of negotiations.

Two delegations must be assembled for negotiations, an Israeli one and a Palestinian one. There is no way for the Palestinian delegation not to be formed by the PLO. Figures inside and outside the occupied territories must be in the Palestinian delegation, and the deportees must represent the Palestinians located abroad. The number of deportees in the delegation is not even important. The essential matter here is the principle. The prime minister of Israel speaks of UN Resolutions 242 and 338, but he does not actually accept them.

[HA'ARETZ] In your opinion, what needs to happen in Israel for there to be peace?

[Sa'at] I estimate that within 3 years, there will be peace. I see, on both sides, the formation of an awareness that the price of a confrontation is too great. Events in Eastern Europe and South Africa do not allow the phenomenon of occupation to continue. The world now rejects occupation. Therefore, I think that within 3 years, we will see serious progress. However, I cannot predict what will happen until then. People sometimes make stupid errors, for which others pay with their lives. Briefly and clearly: More errors mean more killing.

[HA'ARETZ] Which errors for example?

[Sa'at] I am waiting for a leadership in Israel that will make correct decisions. The Palestinian leadership has already decided. It has conceded a dream of a large Palestine. We have suffered, and we are now ready to make concessions. The Israelis need to exchange their leadership for one that will be brave enough to make the right decisions.

[HA'ARETZ] With which leaders would you wish to negotiate?

[Sa'at] We are willing to sit with any Israeli, including Shamir, if he so desires. Perhaps Shamir has been away from politics for too long. From 1947 to 1977, he matured within this conflict. He did not go through the necessary stages. Perhaps, as a result of that, he is pulling the whole process backwards. However, Shamir can also change. I do not want to choose the Israelis' leaders for them, just as I do not want them to choose our leadership for us. However, since you ask, in my opinion, Yitzhaq Rabin, if he wishes, can bring peace. The problem is that Rabin is too hesitant and still wants to protect the coalition.

Regarding Shim'on Peres, he puts forward many ideas for peace, and he has spoken much about preconditions for peace. However, inasmuch as he is still a minister in the coalition government, he cannot lead the process. Peres, in my opinion, does not demonstrate enough courage and boldness. He does not provide a clear alternative to Shamir. Weizmann's story is very sad. He came out courageously against war. He held indirect contacts with us, just as Peres and Rabin did. I believe that Shamir used him to signal to the Americans not to talk with the PLO.

### Goals of Jerusalem Open University Described

90AE0028B Jerusalem AL-USBU' AL-JADID  
in Arabic 1 Apr 90 pp 17-19

[AL-USBU' AL-JADID interview with Dr. Mundhir Salah, president of the Jerusalem Open University: "A University for All Palestinians"; first paragraph AL-USBU' AL-JADID introduction; Paris, date not given]

[Text] A few weeks ago, our sister newspaper AL-FAJR published an exclusive, three-part comprehensive study about the Jerusalem Open University. At that time, the article stated that actual studies would begin in March. The AL-USBU' AL-JADID correspondent in Paris conducted this comprehensive interview with Jerusalem Open University President Dr. Mundhir Salah who, for his part, stated that university studies would begin this month, April. In this exclusive AL-USBU' AL-JADID interview, the reader will find all the necessary information regarding this university, matriculation requirements, and the new teaching methods that will be aimed at all Palestinian students, wherever they are located.

[AL-USBU' AL-JADID] Dr. Salah, the Jerusalem Open University has been in a race with time and place. At what point is the race at the moment?

[Dr. Salah] About a year ago, implementation began to produce the first year curriculum. We have prepared the curriculum for the first and second semesters, for three programs. We have taken care to condense the material greatly, in order to gain time. I believe that we have succeeded to a considerable extent. It is hoped that we can begin during April in the occupied Arab territories, within a three-part understanding with the West Bank universities. The first phase concentrates on giving the basic curriculum to all first-year students in the university, so that the basic curriculum of the Palestinian universities matches the basic curriculum of the Jerusalem Open University. The second stage is to present the curriculum that the Jerusalem Open University produces in a consistent manner with the curriculum and programs of Palestinian universities, so that we can support the students in their studies, and support the faculty with regard to their teaching of this material. The third element is to offer the specialized curriculum of the Jerusalem Open University in the coming semesters. This is our race with time. We are concerned with supporting Palestinian universities in the occupied Arab territories, during the intifadah [uprising]. We hope to undertake this role. The Jerusalem Open University is not an alternative to the Palestinian universities, but complements their role.

[AL-USBU' AL-JADID] In light of the talk about Palestinian universities, can we discuss specifically the specialized fields that the university will offer?

[Dr. Salah] Since 1985, the Jerusalem Open University has been studying the programs and fields that the universities and higher education in the occupied Arab territories lack. We have found that there are four areas that we can use as a start. The first program is land and rural development, and the use and reclamation of land. The second program is home and family development, in which we instruct the lady—and man—of the house in the elements of household education and economy. The lady of the house will learn the concepts of the household budget, so that she can use a simple budget to good advantage, as well as learn how to use raw materials around the house. The program concentrates on child-raising, making clothes and embroidery, food preparation, and the happiness and health of the child. The lady of the house has a role that complements the nursery and the school.

The third program deals with electronic computers as a part of the technological sciences. We felt that the subject of computers was lacking in the curriculum and programs of Palestinian universities. This specialization is needed in the workplace. We designed this subject so that the graduating student will have studied computers for half the curriculum, with the other half in one of the following fields: administrative statistics, economics, accounting and education. The beauty of this program is that it combines computer science with applied subjects, so that the student graduates ready for work. The fourth program is education. Our selection of this program

stemmed from our belief that during the years of occupation since 1967, there has been no training course or refresher course for teachers. The role of the education program is to refresh teachers and qualify them for the benefit of the teaching profession in occupied Palestine.

[AL-USBU' AL-JADID] In light of that, what about the university's capacity to absorb students, and your expectation as to the numbers who will enroll?

[Dr. Salah] From the beginning, we planned for a modest number. We will begin with the occupied Arab territories, Jordan, Qatar, Kuwait, and the United Arab Emirates. Then we will branch out to Sudan, Libya, Tunisia, and Morocco. There will be about 8,000 students from the first five countries, including 2,500 from the occupied Arab territories, 2,500 from Jordan and 1,000 from each of the remaining three countries. Matriculation is not open to Palestinians only, but also to countries of the Arab Nation.

[AL-USBU' AL-JADID] What are the priorities that the university has set with regard to admission requirements?

[Dr. Salah] The primary condition is that the student has a general secondary school diploma, or its equivalent, from the country where he resides. This is a basic condition, but the date that the diploma was obtained is unimportant. The other condition pertains to grade average; the number of incoming students determines this. If we decide to begin some program with a thousand students, and only 800 enroll, then we would disregard the average grade of those students entering; but if 1,500 students enroll, then we would take 1,000 with the highest average. Naturally, absorption capacity will increase from year to year.

[AL-USBU' AL-JADID] In light of the generally difficult conditions in which the Palestinian people live, and particularly in the occupied nation, what is the cost of studying in this university?

[Dr. Salah] We have set token fees for students from the occupied Arab territories, amounting to \$8 per single credit hour. This amount is half the fee for students in Jordan, one-quarter of the fee for students of non-oil producing Arab countries, and one-eighth of the fee that we shall charge students of oil-producing Arab states.

[AL-USBU' AL-JADID] Does this mean from students residing in these countries?

[Dr. Salah] Yes. Therefore, the fees for students from the occupied Arab territories are considered to be token.

[AL-USBU' AL-JADID] Dr. Mundhir, you have had the experience of working in al-Najah University, and, undoubtedly, you have heard a great deal about the weakness of the academic level of Palestinian universities. Disregarding what is sometimes said about the political reasons for this deficiency, and that sometimes public defamation is the reason, and that sometimes it has an objective basis, connected with the circumstances

in which our people live under this occupation, the question still remains: what has the Jerusalem Open University done to meet this weakness and to raise the academic level generally for our university students?

[Dr. Salah] Permit me to differ with you. There is no weakness; on the contrary, I say it is the reverse. In my experience, education in Palestinian universities deepens the persona of the student and makes him better able to analyze and evaluate. The process of strength and weakness is not the number of class days, but the method of instruction and the method of interaction between student and professor. If there are lockouts, this does not mean that study is "lost." On the contrary, this is an incentive for the student to delve more deeply into the material, and analyze it along with the professor, outside or inside the lecture hall. The proof of that is that graduates of Palestinian universities, who go on for higher education, rank among the first students in their specialities. (At this point, Dr. Mundhir cited a number of examples, but said they were not for publication.)

[AL-USBU' AL-JADID] Do you have statistics or specific data?

[Dr. Salah] Yes, I could give names and numbers, but, in general, we think that students who pursue higher studies in foreign universities are a little behind at first because of the language. However, when they overcome the language barrier, they earn A's and B's most of the time. In Arab universities, the Palestinian university students are always among the best. The level of students having a bachelor's degree is in general excellent. However, we do not graduate specialists in advanced scientific fields, and this is the basic deficiency of Palestinian universities; the weakness is not in level, but in variety. Therefore, the Palestinian universities must be concerned with advanced subjects, and the level of qualitative technological education. The Jerusalem Open University, by virtue of its method of operation, is attempting to fill the gaps in programs that Palestinian universities have not filled. The method of operation in the Jerusalem Open University, with regard to instructional aids and published materials with which the student works, under the guidance of the academic advisor, and the interaction of the student with the study center, will better develop the persona, because of the student's need to rely upon himself. It is our hope that reliance upon self will be stronger than in the universities inside the occupied territories.

[AL-USBU' AL-JADID] Undoubtedly, the Jerusalem Open University will strengthen the student's self-reliance, but university life is interaction and communication among the students on the one hand, and between students and faculty on the other. How will the university confront this problem?

[Dr. Salah] The Jerusalem Open University, with its method of operation, overcomes this problem by opening study centers. The study center basically is a

collection of laboratories, television equipment, a computer lab, a chemical facility to carry out experiments, and a library, in addition to not less than 10 academicians in the center to correct examinations and discuss matters with the students and guide them past weak points. Interaction occurs between the student and the professor, based on a previous program that is mutually understood between the students and the advisors. As for interaction among students, it occurs through the meetings, seminars, and study circles that take place in the study center.

[AL-USBU' AL-JADID] Will the diplomas granted by the Jerusalem Open University be recognized?

[Dr. Salah] This university is an official Arab government university, within the Arab Cultural Agreement, and any diploma issued by an official university is recognized by the Arab states. Concerning the university's membership in the Federation of Arab Universities, there are special regulations that stipulate that an open university can be a participating member two years after studies begin. After the first class graduates from the participating member, then full membership like the rest of the universities is discussed, as well as recognition of its diplomas by the Arab states. It is an official, government university, and its diplomas are recognized, as are any diplomas granted by any Arab university.

[AL-USBU' AL-JADID] Will the diplomas of the Jerusalem Open University be accredited as by affiliation or matriculation?

[Dr. Salah] The fact is that there is a big distinction between the concept of the Jerusalem Open University and education by affiliation. With matriculation, the student obtains educational materials, in addition to instructional aids. He works with them through one semester with the advisor. There is constant evaluation through examinations that the student is given in the study center. These examinations are based on several units in each curriculum, so that there are no less than six or seven exams in the first semester. In addition, the student is given a written examination every six weeks in the study center. In the first six weeks, the first exam is given, in the 11th and 12th weeks the second exam, and in the 16th week the final exam is given. The outcome of the three written exams, and the student's marks in other exams, in addition to his marks in the labs and on his reports, which the advisor requests from the student, all go towards the final grade. We should note that there is continuous follow up and evaluation with regard to the student, in a way that is not available in studies by affiliation. The fact is that the concept of the open university, and specifically of the Jerusalem Open University, is premised on the fact that it is a university that uses modern technology to provide students with all the advantages of a resident university, where they would live and work, along with diminishing the negative aspects of study by affiliation or correspondence. The open university combines the advantages of the resident university, and lessens the problems connected with

study by affiliation or correspondence, by using modern technology. Therefore, open education is considered equivalent to a geographically distributed campus, wherever the students are located. We provide them with the ability to be transported to the campus, or rather, the campus is brought to the student through the study center in the geographical regions.

[AL-USBU' AL-JADID] Will there be a system of credit hours in the university?

[Dr. Salah] Yes, a system of credit hours. Each program has a specified number of credit hours, which the student must complete.

[AL-USBU' AL-JADID] Regarding faculty members, has the university been able to recruit the number and type desired?

[Dr. Salah] The resident university depends on the type of faculty member, for example, in terms of competence and experience. We benefit from competence and experience through preparation of educational materials or published materials for the curriculum that we have, because we request professors, who have experience and competence, to write the subject. We take the best experience of three or four professors for the desired curriculum. This is not available in other universities. We are distinguished by the quality of educational materials, by the appropriate aids, and by excellent academic supervision which enables us to guide the student in terms of how to be motivated, how to study and understand the material, and generally how to derive benefit from the university.

[AL-USBU' AL-JADID] Dr. Mundhir, what are the academic requirements for academic supervision?

[Dr. Salah] Academic requirements must be no less than those required for membership on a faculty, in terms of educational experience and academic competence. Most of them have their doctorates. In addition, the educator and academicians must demonstrate good behavior toward students, and provide psychological and social guidance, so that he can assist the student to digest the material and deal with the instructional aids and printed matter.

[AL-USBU' AL-JADID] Is Jerusalem Open University considered to be the first experiment of this kind in the Arab world?

[Dr. Salah] Open education began after World War II, to compensate combat troops for university studies they had lost. The concept of open universities gradually emerged along with the development of modern technology, with the use of films, cassettes, videos, and satellites, along with printed books. There are hundreds of open universities in the world, with the British university being the most prominent. It turns out university graduates who are equal to British resident university graduates.

Consequently, it will be both a Palestinian and an Arab university. It is specifically a Palestinian university, but its service area will extend to the entire Arab world.

**Editor of AL-YAWM AL-SABI' Discusses Publication**

90AE0028A Nazareth AL-SINNARAH  
in Arabic 20 Apr 90 p 9

[AL-SINNARAH interview with Balal al-Hasan, editor of AL-YAWM AL-SABI': "AL-YAWM AL-SABI': Receptive to All Intellectual Trends Within the PLO; Considers Itself a Forum for the Popular Intifadah;" first paragraph AL-YAWM AL-SABI' introduction; date and place not given]

[Text] Balal al-Hasan, born in Haifa in 1939, is the editor-in-chief of AL-YAWM AL-SABI'. He worked in Lebanese journalism for a long time before establishing his magazine in Paris. Balal is from a Palestinian family that was one of the best-known and wealthiest in Haifa. Like thousands of Palestinian families, they became homeless the year of the catastrophe, and left vast real estate holdings and property behind in Haifa. However, individual family members were able to hold their position of national leadership, led by Khalid al-Hasan, and 'Afu and Hani al-Hasan, Balal's brothers. Family members have also been able to build a significant family fortune, distributed around the world.

[AL-SINNARAH] How do you define AL-YAWM AL-SABI'?

[Al-Hasan] AL-YAWM AL-SABI', which began publication in Paris in 1984, is an independent magazine, dealing with various Arab issues and affairs, headed by the Palestinian issue and the issue of the Arab-Israeli struggle.

[AL-SINNARAH] The prevailing view is that AL-YAWM AL-SABI' is a magazine for the elite...

[Al-Hasan] The magazine is marked by its concern for cultural affairs and serious analyses; it stays above the struggles among Arab organizations, in order to maintain its independence. The magazine deals with issues of modernism, secularism, Arab unity, Palestine and the Arab and Islamic heritage. It is evident that these matters—and others—have made AL-YAWM AL-SABI' a magazine preferred by the intelligentsia and the elite, since it gives them informational, intellectual, and literary offerings.

[AL-SINNARAH] What are the nationalities of its workers?

[Al-Hasan] A staff of journalists from various Arab countries work for AL-YAWM AL-SABI'. They include Palestinians, Lebanese, Syrians, and North Africans. Moreover, the magazine has attracted a group of the most important writers in the Arab world.

[AL-SINNARAH] How does the magazine deal with the Palestinian-Israeli struggle?

[Al-Hasan] The magazine supports the policy of the PLO and, starting from this point, it supports the rights of the Palestinian people, especially their right to self-determination. It also regards itself as a forum for the popular intifadah in the occupied territories.

As for domestic Palestinian affairs, AL-YAWM AL-SABI' is open to all intellectual trends within the PLO. However, it rejects sympathy for or dealing with the dissident forces. Lately, the magazine supported the Palestinian peace campaign, because we believe, as others believe, that peace would serve all peoples of the region, as well as being the best solution for all pending problems, including human rights for all.

[AL-SINNARAH] Do you organize nonjournalistic activities, such as festivals?

[Al-Hasan] Unfortunately, we have not had the opportunity to organize any festivals or outside activities. The reason for that stems from our modest resources. However, we have organized cultural and intellectual activities within the framework of our newspaper work. For example, a few months ago, we organized a short story contest, as well as an intellectual debate between Dr. Muhammad 'Abid al-Jabiri from Morocco, and Dr. Hasan Hanafi from Egypt, which was published in the pages of AL-YAWM AL-SABI'. As a magazine, we take part in activities conducted in Paris, as well as in Arab countries, whether they be intellectual forums or poetry and literary gatherings.

[AL-SINNARAH] Have Palestinians from inside the occupied territories participated in these forums?

[Al-Hasan] Two years ago, we organized a public debate between the poet Mahmud Darwish, and Samih al-Qasim, through an exchange of their letters published in the magazine. This correspondence aroused widespread interest in Arab intelligentsia circles because of its literary importance, and because it revived the art of profound correspondence in Arab literature. Moreover, we receive books by mail from certain Palestinian critics and writers. We have also published a considerable number of articles, in order to inform the Arab reader of the activities of Palestinians in Galilee.

[AL-SINNARAH] Why did you pick Paris, and not an Arab capital?

[Al-Hasan] We chose Paris, first, because French law permits non-Frenchmen to publish newspapers and magazines and, second, because of the Arab colony in Paris and in Western Europe. We saw this community as mass readership for the magazine. A third reason was the ease of forming an editorial staff for the magazine, composed of Arabs living in Paris, and, finally, because Paris is a very active center for political and cultural issues from various directions and countries of the world. For these reasons, Paris is in my view superior to many European capitals.

[AL-SINNARAH] Does this mean that the circulation in France is sufficient for the magazine?



[Al-Hasan] No, the readership in France is only a part of AL-YAWM AL-SABI's circulation. We distribute the magazine in all Arab countries without exception, as well as in all other European countries where there are Arab colonies. This distribution gives us excellent circulation.

[AL-SINNARAH] Do newspapers, and your magazine itself, encounter any restrictions whatever in France?

[Al-Hasan] France is noted for being a country of laws and, therefore, we do not run into any problems, so long as we work within the law. In general, freedom of opinion and expression, and freedom of the press are upheld by the law, and the only restriction comes through professional scruples. We have never at any time been subjected to any constraint in this regard. There are indirect problems connected with the growth of racism, but the cultural climate prevailing in France is antiracist. On the other hand, there are numerous Arab and French press and social institutions that are cooperating in the fight against racism.

[AL-SINNARAH] There is a natural and basic question with regard to us and to our Palestinian press in the country: What about censorship?

[Al-Hasan] There is no press censorship of any kind whatsoever in France. The government never interferes in any newspaper or intellectual work, since all laws stipulate [freedom of] opinion, press, and literature, as well as political practices. However, everything must be in accordance with public law, which applies to everyone, including the journalist. For example, the journalist is at risk because he can be sued for defamation, unless he relies on clear and irrefutable evidence. This applies to everyone.

[AL-SINNARAH] What is your union situation in France?

[Al-Hasan] Everyone who works for AL-YAWM AL-SABI' is licensed in accordance with the law. He must be able to obtain a French press card, and also be able to join the French journalists' union. Everyone must also pursue his union activities. He must be able to vote, or possibly be a candidate for election himself. In short, we as journalists have full legal rights, and we comply with all obligations that the law asks and requires of us. In these matters, we are fully the equal of French journalists.

## ALGERIA

### Economy Minister on Finance Reform Law

90AA0070AAlgiers ALGERIE-ACTUALITE in French  
5-11 Apr 90 p 27

[Interview with Minister of Economy Ghazi Hidouci by Abdelkader Hammouche; date and place not given]

[Text] [ALGERIE-ACTUALITE] Mr Minister, what "innovations" are contained in this law?

[Hidouci] The first important thing is the restoration of our monetary national sovereignty. This means that all legal guarantees of control are provided so that money deposited in banks or other organizations that generally extend credit are systematically protected against any manipulation or maneuvering. This is a thing sometimes forgotten because it has not heretofore been exercised. There is a whole section of the law that defines the conditions under which one may practice the profession of banker or financier, a profession that had previously not been regulated. Henceforth you will deposit your money with persons who have a profession that is specific, under supervision, known, and overseen individually with respect to professional ethics and so on. This is very important because for the first time we are in a sense creating the banking profession, the profession of financier in general. We are also creating a financial market that did not exist before.

[ALGERIE-ACTUALITE] What do you call the "financial market"?

[Hidouci] The creation of services that did not exist before. For example, the service consisting, for an individual, of trying to invest his money, buy and sell bonds, invest, purchase shares, and so on. Today there is an industrial department that allows you to build a plant, for example. There is also a commercial department that enables you to open up a commercial fund for distribution. However, if you have money to invest somewhere, there are no other departments except for CNEP [not further expanded] books. Consequently, the financial market is being opened up to enterprises and private parties so as to have all the multifaceted financial services: There is the service for savers providing access to investment opportunities where savings can be placed. There is an important department of financial institutions: insurance funds, retirement funds, and so on, to try to secure the money of people who make their own contributions. This is a department that is dead and must be revived. There is the common, every-day merchants department, and so on, now on its way back, and there is the department of relations between enterprises, accounts to halt inflation and increase the circulation of the money supply so as not to increase monetary emissions. This is an extremely important financial department that is not commonly used in our country. Thus, by creating the profession, which guarantees the proper use of money, and by developing the financial market, the law finally aims to use money better and in an open, more equal fashion, so there will be no inflation. Openness, strictness and equality, plus good financial services, are effective tools in fighting inflation.

[ALGERIE-ACTUALITE] You say "equal access of all to money and credit." Exactly what does that mean?

[Hidouci] This means monetary sovereignty. In other words, if you have the right to exchange your money abroad, I must also enjoy that right. It means that one cannot administratively refuse an individual or an enterprise the same credit conditions as those granted to

another individual or enterprise. For example, if I take credit, one cannot treat short-term or medium-term credit applications differently depending on the customer, whether it be a public or private enterprise, an enterprise with large or small deposits. The same credit terms must exist for everyone at the same banks. The bureaucracy and authoritarianism that once prevailed at teller windows or certain branch banks no longer exist.

On the foreign level, this means there will be no more manipulation of exchanges by unequal administrative authorities. No longer will one be able to say that a certain Algerian may exchange money while another does not enjoy the same right. Or that my dinars have rights different from yours, whether it be a matter of credit or the use of money. This is a notion which actually appears to be academic but which primarily means that any operation conducted by the banking system resulting in unequal treatment by individuals or corporations incurs a penalty. This means that banks are transparent and even controlled by the judicial system. In the final analysis, it means we are headed for a single dinar, that we are all against the informal markets developing today which the law enables us to eliminate.

[ALGERIE-ACTUALITE] I do not quite see the connection between the "parallel" exchange and the arrangement put in place by this law.

[Hidouci] The current law says that such an exchange is illegal. Even the old law deemed it illegal, but administrative decisions have been made regarding currency. If the minister of finance says, "I authorize Algerians to possess foreign exchange the origin of which I do not know," this encourages individuals to operate on an exchange market parallel to the official market and causes us to have a dinar on the official market at one price and a dinar on the parallel market at another. When one says "equal exchange," it means that no one on the administrative level can grant such a right. It also means that this informal market must disappear.

[ALGERIE-ACTUALITE] Is that really possible? Do you think the parallel market will disappear as a result of the enforcement of the arrangement set up by this law?

[Hidouci] The law says it must disappear and we must now see that it does. This means two things: First of all, individuals can no longer behave as they did before; nor can they manipulate, say there is a double exchange, and so on. As for the past, it has to be handled; the law says there will be a period of transition to handle it, a period of a year, 2 years.... In this particular field, it sets 3 years. It gives itself 2 years to rehabilitate enterprises and 6 months for the banks.

[ALGERIE-ACTUALITE] In other words, within 3 years, anything having to do with parallel exchange: vehicle purchases abroad, foreign exchange accounts, and so on, will be banned?

[Hidouci] The program stipulates that there must be a cessation of any differentiated manipulation of exchange

and that there is a single dinar and a single exchange. Certain operations can be performed before; it is a matter of capacity. If we now have a financial capacity making it possible to retrain people now working on that informal market temporarily and enable them to buy a certain number of things, that is important. It must happen immediately. When the law says in 3 years, it means we must set to work immediately.

What the law essentially means is that it wants to make people free. It recognizes the freedom of circulation of capital and humans and provides guarantees for that circulation. We must put ourselves in the situation of people living in "normal" countries. We must put ourselves in a situation where there is no more administrative management of money.

[ALGERIE-ACTUALITE] Does this mean that in 3 years, the dinar will be convertible currency?

[Hidouci] That is what it means. When you say you guarantee the circulation of capital and you have a single dinar, you are doing away with all the artifices that bestow different rights on the two, which in turn means you are extending the same rights for the same dinar to all persons, whether individuals or corporations. From that time on, it means the dinar is worth the same for everyone. You can buy and sell whatever you want elsewhere. That is what convertibility is. It now remains to be seen whether we are going to authorize that convertibility on a stock exchange or not. That is another problem, knowing whether to authorize a floating exchange rate or a fixed exchange rate, depending on the interest it represents for us. As far as we are concerned, the fixed exchange rate will probably be used. For the time being, we think it is better to have all the money in the Central Bank and in 3 years, everyone will have the right to exchange his own money. People will then be able to buy and sell whatever they want.

**Chamber of Commerce President Discusses Reforms**  
*90AA0063A Algiers EL MOUDJAHID*  
*in French 3 Apr 90 pp 4, 5*

[Interview with Omar Ramdane, president of the Chamber of Commerce, by Halim Mokdad; date and place not given; first three paragraphs are introduction]

[Text] At the time when the crisis is hitting us head on, Algeria especially needs social peace, not sterile polemics. I am summarizing Mr. Omar Ramdane, president of the Chamber of Commerce, who explains at length below its operation and the rules that govern it. What is the place of the CNC [National Chamber of Commerce] in the current reforms? This institution is an economic intermediary between the central authorities and the private sector. The president of the CNC explains here the role this sector will have to play in the implementation of the reforms. You can be for or against this sector. As far as Mr. Ramdane is concerned, the debate is not at this level.

Mr. Ramdane is an ardent defender of the productive and patriotic private sector. He gladly places himself outside the circles of speculators and the very affluent, those who do not create wealth and have made ties abroad. At the present time, it is a question of getting the private sector to participate alongside the public sector, to prepare the new economic data needed to get out of the major crisis we are experiencing. Recently, about 20 deputies requested that a committee of inquiry be set up on the CNC. What is this all about?

A former commander of the ALN [National Liberation Army], Mr. Ramdane is a self-made man, both in life and at the university. He is a man with tremendous drive; he did not avoid a single one of our questions. A frank and direct discussion, without trickery, on questions which are asked in a wide national debate, which condition our present and our future. The solidarity of the patriots is a beginning, a promising start.

[EL MOUDJAHID] How do you see the reforms at the level of the Chamber of Commerce?

[Ramdane] The CNC is at the crossroads of the reforms because the government has given it the task to implement a significant part of them, given that the government has given the CNC the prerogative of managing the investments and supplies of the productive private sector. Let us recall that the government has enacted two important laws: the law of 12 July 1989 on private investment through which the government broke new ground by eliminating the ceiling for authorized investments and eliminated the prohibition of accumulating investment activities and government guaranteed loans. A second law enacted on 19 July of the same year readjusted the state monopoly over foreign trade.

Within the framework of the new laws, the CNC was given tasks with regard to the private sector which are not traditionally theirs.

The CNC was given the responsibility of stimulating investments and we are pleased to note that in this area the results are largely positive. For example: In 1989 we received an average of eight projects a day. Thus, in 1988 we released 214 projects and granted a total of 4 billion Algerian dinars in investments. In 1989: 1,041 projects were approved with a corresponding total amount of investments of 12 billion Algerian dinars. The investors are either already established private industrialists or new promoters. We are witnessing, and appreciating, a new qualitative approach: a clear orientation toward activities which develop some technology. This positive result was achieved thanks to the work and dedication of the cadres and elected members of the CNC.

The many new promoters include former cadres from the public sector or the state, hence trained individuals who perfectly understood their project.

What is wrong for a cadre individual who served his country for a long time, sometimes since 1956, who has retired and feels able to deploy efforts, who still has a

good dose of dynamism within himself, who still wants to serve his country by creating wealth and jobs, thus to initiate a project? It is paradoxical to disparage the private investors who take risks at a time when the country is suffering from a lack of investments, and is thus becoming poorer. For us, being an institution with the responsibility to stimulate investments, all investments are welcome. The results are eloquent. Contrary to an idea which has been going around, we have noted that the private sector is no longer investing; as a matter of fact, it cannot do so because the only private investments allowed are those whose priority activities are designated yearly by the plan, in what one has a tendency to refer to as very juicy and easy slots (for example: soft drinks manufacturing, candy stores, as if Algerians do not have the right to consume these). On the other hand, there are glass factories, ministeel factories, ceramics manufacturers, the manufacturing of small spare parts, medical and surgical equipment, all kinds of projects being initiated at the present time. It should be recalled that elsewhere in the world, private industry started, as it has here, with the processing of agricultural products, in textiles, the leather and shoe industries; later on developments occurred in mechanical industries, first of all in assembly. Next, following the development of industrial expertise, the industry turned toward slots with high added value, such as electronics, chemicals; this is the example of Turkey or, even closer to us, of Spain.

Still within the framework of the reforms, in 1989 the Chamber of Commerce was given the responsibility of organizing the supply of raw materials, semi-manufactured products, and spare parts for the private manufacturing sector. The package allocated is far too inadequate. The CNC was given the responsibility of supplying the private sector during a period of shortages; that is not its mission, but it has accepted the task because it was understood that it would be temporary. The goal—and we must work toward it—is to lead our enterprises based on the principle of equality of all operators toward freedom of action in the management of the operations linked to their development and to their functioning.

Having said this, we must commit ourselves without stopping, with determination, with objectives clearly linked to change, and the actions must be in harmony with the speeches. It is an illusion to think that the dynamics of change automatically result in pulling along those who have always promoted stagnation and a freeze of initiatives.

[EL MOUDJAHID] The major debates of the moment revolve around the economy, the right to information, and reforms. How can the Chamber achieve some kind of clarity?

[Ramdane] What is a fact is that there is greater openness now than there was in the past, given that people are allowed to know who has invested and what they have invested in; as a matter of fact, it is because of this clarity that people find things to complain about unlike the

former administrative practices. The priorities are posted, there are no longer government guaranteed loans, the local authorities receive a statement on the projected investments in their localities. The lists of beneficiaries of import certificates are posted. There is also representation of the operators through their elected representatives who give their advice.

The initiative to be developed, in implementing the reforms and the freedom granted to the national enterprises given that we are shifting toward a market economy, is to allow a promoter to invest in the activity he chooses, limited only by the laws of the market, and to be able to have access to foreign markets through a single intermediary: his bank.

If a state wants to develop a branch of activity, it is up to that state to come up with measures of encouragement to attract investments to this area.

It is up to the state to go further in the direction of encouragement by offering, for example, land at preferential prices, more attractive exemptions so that an operator might go and settle in an area which the state wants to promote. These are the kinds of measures, of approaches which will have to prevail in the future and which tend to prevent blockages, to prevent anything that would go against the notion of freedom. That is the best clarity.

[EL MOUDJAHID] From submission of the file to its approval: What a long way to go! Bureaucracy or caution?

[Ramdane] There is more oversight than there was in the past, but it cannot be said that bureaucracy has disappeared. It is true that an act of investment requires studies at the various stages, a file may take a month or it may take a year, but roughly speaking the study of a file is completed in 6 months. It goes without saying that everything is not perfect, or as prompt as we would like it. Investors deplore delays.

[EL MOUDJAHID] We have been challenged to a face-to-face CGOEA [Algerian General Economic Confederation]-CNC meeting. Would you like your problems dragged through the media?

[Ramdane] At the level of those who are in control, we can only subscribe to any action in the interest of openness. What should be condemned is manipulation, exploitation with partisan goals or clanishness in mind. That increases the malaise: Prejudices based on bias are harmful. The challenges are elsewhere. All potentials should be mobilized. If you attack an institution with the responsibility of implementing reforms, then the attack must be strongly covered in the media. What are its goals? To demonstrate that the private production sector, which the government wants to encourage and wants to involve fully in the current process by perhaps allowing it to form a partnership with foreign private industry, is corrupt, steals, overcharges, buys old equipment instead of new, that those who represent that sector

are predators and selfish monopolizers; that the opening to the private sector benefits the privileged in the regime, the public officials who recycle their money; that they are getting ready to dismantle the public sector in order to hand it over to this set of crooks.

Where does all the criticism come from? It is well known now that nobody stands up or admits being against the reforms, but everything is being done to distort the objectives of the reforms.

These attacks come from those who for years governed the country and its economy in the manner we all know and who defend the old system. They also come from those among the private businessmen who were privileged and benefited from the allocation system. They come from those who developed independent means from some positions, those who can no longer find enormous prerogatives and privileges in the new organization of the economy, in the new political scene that is taking shape. Hence they are conducting an underhanded struggle by exploiting all situations, specifically this situation of economic crisis, of shortages which generate strong frustrations; there is absolutely no doubt that some people are taking advantage of this attempt and are campaigning for partisan goals; it is also true that some people who have failed on the professional level are doing their utmost to transform their failure by putting themselves forward as figureheads and thus giving themselves the illusion that they are still important.

In reality, it is always a matter of personal interests. Some people feel threatened by the system which is being implemented, without any injunction, interference, opaqueness. It is the system which escapes them and is beyond the reach of their racketeers and their sponsors.

[EL MOUDJAHID] The big private sector compared to the small private sector. Is there any real democratization?

[Ramdane] When a law is enacted which removes the ceiling from investments and eliminates the prohibition of an accumulation of investment activities, hence which encourages the act of investing, one should not get excited afterwards when the call is heard, when national companies agree to invest large sums and develop extremely valuable projects. In order to manage the shortages, percentages on turnover are set; with regard to supplies, it is certain that the largest turnover figures will be favored; it is the objective, neutral criteria which are privileged. As for investment, more and more big projects are coming in but I would specify that the largest number of investors remain small or medium-sized operators.

[EL MOUDJAHID] The press turns this around: It is generally said that these are interests which tear each other apart. We are far removed from the documents which make you an intermediary between the authorities and socioeconomic realities. Is there another way to look at it?

[Ramdane] I would prefer not to put the debate at a polemical level. It is time for people in our country to finally realize that the problems are economic and that their treatment is economic. Let us stop politicizing everything. That is a negative approach. The serious situation we are experiencing and our difficulties will not be solved by any speech, even if it were wrapped inside a sacred concept. The sooner we understand the direction of the change, the sooner we will get out of useless debates and false cleavages.

[EL MOUDJAHID] Do you believe that the right to information requires such an openness?

[Ramdane] Any information directed to the citizens is welcome; it is the exploitation, the maneuvers based on opportunism and overbidding which should be condemned. We must, without calling for a halt, start on the road to change and our words must coincide our actions. Patriotism is not the exclusive prerogative of a minority of Algerians, invested with the discretionary power to decide what kind of patriot they would like to see and who shout "treason" every time we want to evolve and every time the Algerians take matters into their own hands.

[EL MOUDJAHID] Polemic and pamphlet or slander and invective: The one is to the other what eroticism is to pornography. In your opinion, where does common law come in?

[Ramdane] I think that I have already answered that question. It is, as a matter of fact, trash. That comes under common law.

[EL MOUDJAHID] What party do you belong to?

[Ramdane] I am not a member of the FLN [National Liberation Front] but I have not left it either.

[EL MOUDJAHID] Do you think that it is necessary to establish a broad front to face the crisis?

[Ramdane] Any initiative making it possible to provide answers to the economic and moral crisis this country is experiencing, which works toward the development of social peace, is a positive one.

[EL MOUDJAHID] Rescheduling the debt...are you for or against it?

[Ramdane] I believe that we should not engage in demagoguery. To give you a correct answer, it is necessary to have all the information available. The debt is not an evil in and of itself. Either we have the means to raise the credits to finance our development, and then there is no debt problem, or we are not able to raise enough credits and it is wrong to talk about a revival of the economy. In that case we must prepare ourselves and be in a good position to talk about the debt.

[EL MOUDJAHID] Petroleum is no longer priced at \$40 a barrel. A patriotic wali told us: The only thing we have left now is our sweat and our courage. Is that your opinion also?

[Ramdane] The drop in our foreign currency receipts has laid bare the utopia of our conception of development. They decided to implement unchangeable courses, even in the economy. What an aberration!

Salvation lies in the mobilization of all energies, and they exist, without ever causing serious social disparities. It is a question of loyalty to patriotism.

[EL MOUDJAHID] The information struck like a bomb: a former prime minister stated that \$26 billion is the amount of misappropriations in the form of bribes or other wrongs from the public sector. Twenty-six billion dollars is more than Algeria's foreign debt. What do you think about this?

[Ramdane] There is a well-known legal principle which says: "Nobody should profit from his own turpitude."

#### Employment Needed for Surplus of Engineers

90AA0070B Algiers ALGERIE-ACTUALITE  
in French 4 Apr 90 p 17

[Article by M.-K. Abderrachid]

[Text] "Thousands of young college graduates, many of them engineers, cannot find work today. In the governorate of Algiers alone, hundreds of unemployed engineers are on the rolls. No area of specialization has been spared, whether it be electronics, agriculture, chemistry, petrochemistry, plastics, mechanical and electrical engineering, building and public works..." This alarming observation, joined with the conviction that "solutions are possible in the interest of getting the national economy back on its feet," led the Union of Engineers of Algiers to organize a debate at the National Labor Institute (INT) Sunday.

Not many showed up: Only four or five enterprises out of the some 30 invited responded, even though the issues of unemployment, the lack of skills, elimination of management personnel and now exile, all of them urgent, require a collective approach.

In his introduction, INT Director Akkache presented the whole spectrum of employment problems in the country, ranging from the establishment of a development strategy based on industrialization to the effect of the crisis on the home. Some "1,400 industrial units have been built," but imbalances, dysfunction, and a manifest lack of efficiency also exist. He noted that the "ideologization and bureaucratization of enterprises, placed under multifaceted tutelage and overlapping intervention from ministries, banks, planning, the FLN [National Liberation Front], unions, and so on, have had a great effect on the training and social behavior of

engineers." Nevertheless, supply and demand for engineers and management personnel was balanced in 1987, at least in absolute terms, inasmuch as reality in the field may be very different when one sees the regional inequalities and sectorial inadequacies.

It should also be noted that "at the present time, training institutes are now turning out 10,000 engineers and 6,000 high-level technicians a year." The sudden drop in the ability to create jobs results in a sudden jump in the unemployment rate (from 15 percent in 1984 to 23 percent in 1988).

Finally, the speaker noted that "the trend toward more unemployment can only worsen. The number of young people seeking jobs, averaging 150,000 a year during the past decade, will be 240,000 from 1990 to 1994 and 300,000 a year from 1995 to 1999."

ONAMO [National Algerian Manpower Bureau] official Benazzouz also noted this recent phenomenon as university graduates (most of them in the social sciences) come to his office. He also pointed out certain "obstacles" such as the requirement of previous "professional experience" demanded by companies or the lack of adaptation of training to end users.

The debate endeavored to analyze the nature of this unemployment phenomenon: circumstantial or structural? Responses varied, but there was agreement on the fact that "the blockage affecting the hiring of engineers is a factor inhibiting economic recovery." There was also agreement on the basic idea that "without a strong public sector, the employment problem will always exist."

Among the possible solutions proposed and forms of organizations to be set up was the idea of classification by training institute functioning as a lobby for the "placement" of graduates based on "sentimental cooptation." PMI [small- and medium-size industries] were also discussed, along with the possibility of involving private capital in employment coordination. One speaker said "the problem does not reside in the lobby, PMI or cooperative, but rather, in the disinvestment and disqualification of the enterprise. We have achieved a managerial staffing ratio of 1.22, while that of a country such as Portugal is 9."

The CNERIB [not further expanded] representative came to the debate job offers in hand and proposed identifying promising sectors, setting up a labor exchange, and organizing the different unions and associations for the purpose of having a unified approach.

As one can see, the problem of upper-level unemployment seems to have reached the near-crucial stage, too serious to be handled with a merely "circumstantial approach" particularly since, based on figures put forth during the debate, some 4.3 million jobs will have to be created by the years 2000-2005 in order to keep employment pressure within current limits.

### Revised Finance Law To Attract Investors

90AA0066A Algiers EL MOUDJAHID  
in French 27 Mar 90 p 2

[Interview with Mr Kaci Ali, chairman of the Finance, budget, and Planning Committee, by H. Bahmane; date and place not given; first seven paragraphs are introduction]

[Text] Yesterday the deputies voted on the currency and credit law following presentation of the Finance, Budget, and Planning Committee's supplementary report, in which the return to monetary and financial procedures based on sound economic rules was deemed commendable, all the more so because the bill is aimed at supplementing the autonomy laws.

The committee pointed out that the purpose of this bill is to encourage and provide incentives for investments by any economic agent within the limits set by law and that, as concerns foreign investments, the proposed procedure is sufficiently clear to channel such investments and provide sufficient guarantees for the preservation of the national public sector in particular.

With regard to the role of banks and financial institutions, while noting their traditional role, the committee invited them to increasingly perform the mission of an investigatory office to conduct feasibility and profitability studies for the purpose of orienting some businessmen and, consequently, offer themselves as veritable advisers, or even as partners.

This is the direction in which efforts must be made toward specialization of bank management and by augmenting the training and retraining of bank personnel.

Taking into account the concerns raised by the deputies, the committee noted the need for taking action and making arrangements for familiarizing the public with the use of checks as a means of payment in all commercial transactions.

Furthermore, the committee underlined the importance of the information-providing mission as concerns potential savers and investors. This function, which can play the role of making the public more aware, will certainly make it possible to stimulate reflexes in people with regard to economic and financial matters that will contribute to their better adjustment to domestic and foreign economic situations.

And lastly, the committee noted that the organizing of meetings, conferences, and seminars that bring all the economic agents into contact with one another is desirable to render the proposed law fully effective.

### 'Secret Maneuvers Will No Longer Be Possible'

[EL MOUDJAHID] This new law frees investment in Algeria. To what extent?

[Kaci Ali] No country in the world turns down foreign capital. Look at what's happening in the East European

countries, China, and the USSR. Algeria cannot live under autarchy and it needs money to develop its production capacities. It has no other choice but to open itself to foreign investment.

Two articles define two notions, those of residents and nonresidents. The nonresident is authorized to transfer his capital to Algeria to finance all economic activities not explicitly reserved to the state or its dismembered enterprises. His capital as well as all profits, income, interest, and rents may be repatriated.

As for Algerian residents, they may transfer capital abroad to ensure the financing of activities abroad that are complementary to their goods and services activities in Algeria.

The Currency and Credit Board determines financing terms for nonresidents and issues authorizations to residents.

In the event a petition is denied, there is provision for the possibility of appealing to the Supreme Court. In the past this appeal was made to the administration.

Today, it is the law that settles such cases. Up to now, legislation has been effected through special laws. The foreign partner and the Algerian partner are governed by a general law that does not discriminate between them.

[EL MOUDJAHID] How will this benefit our country?

[Kaci Ali] The investor transfers capital, which helps our country, while it at the same time creates jobs and wealth and contributes know-how, management, and organization.

Algerians are going to be exposed to modern technologies and techniques.

[EL MOUDJAHID] How is foreign participation in the national enterprises (EPE) affected?

[Kaci Ali] Article 6 of Law 88/06 of 12 January 1988 excludes any possibility of holding capital stock in an EPE. But, if it so desires, an EPE can hold capital stock in a foreign company, but only through a subsidiary.

[EL MOUDJAHID] Article 2 was bitterly debated in a plenary session and in committee. Why?

[Kaci Ali] Article 2 of the bill submitted by the government was in fact debated at great length. The committee proposed a revised draft of the text, which is: "The law sets the value of the dinar in compliance with international agreements." This means that Algeria respects all past and future conventions. This will completely reassure international financial circles, which are very much given to legal guarantees.

[EL MOUDJAHID] How will the banks be affected?

[Kaci Ali] They will be subject to very strict organizing principles. Management ratios will be imposed on them by the Central Bank, just as will the holding of obligatory

reserves to protect depositors, reserves that must not exceed 28 percent. The BCA [Central Bank of Algeria] will define the criteria for choosing executives and management personnel by means of profiles that favor professionalism.

[EL MOUDJAHID] Is the national private sector going to participate?

[Kaci Ali] In well-run businesses and when openness prevails, only the best succeed. The private sector will not escape this rule. Only dynamic private companies capable of performing will be able to succeed. Up to now, the rules of commercial and financial openness have not been in evidence, which has favored speculation. In future secret maneuvers will no longer be possible.

[EL MOUDJAHID] Why does the Currency and Credit Board have such extremely broad powers?

[Kaci Ali] The Currency and Credit Board is very well filled out since it is represented by seven important persons appointed by presidential decree: a governor, three vice governors, and seven high-ranking officials (the deputy director of the Planning Department, the Treasury director, and the director of the Price-Setting Department, pending the appointment of the future president of the Stock Exchange). It is perfectly normal to endow them with broad powers. As an institution, the BCA makes use of national sovereignty and the power to issue currency.

The board's authority must be curtailed in order to be able to react quickly and in terms of common action. If there is disorder in the international finance market, this board must immediately make decisions to safeguard Algeria's interests. The governor and three vice governors are independent of one another and their responsibility is collective in nature. Each member has one vote and, in the event of a tie, the governor casts the deciding vote.

[EL MOUDJAHID] What sort of relations will exist between the BCA and the Treasury?

[Kaci Ali] Their relations will be contractual, that is, the Treasury will only be able to ask the BCA for advances within a maximum limit equal to 10 percent of the state's regular revenue contracted during the previous fiscal year. The total term may not exceed 240 days during 1 calendar year, that is, the Treasury must pay off its deficit within the same year. In this way, Treasury abuse of resorting to the BCA for money will be avoided.

[EL MOUDJAHID] And the advances that were granted the Treasury by the BCA in the past?

[Kaci Ali] They will have to be reimbursed within a maximum term of 15 years following promulgation of

this law. The Treasury has a debt that it must honor in accordance with an exact schedule to be set up with the BCA.

[EL MOUDJAHID] What deadlines are you setting for restoring the country to a sound financial basis?

[Kaci Ali] The results will be noticeable by 1992. Algeria will have regained the production capacities that will enable it to have an economic recovery. Confidence will be restored to Algerian and foreign partners with explicit law-governed rules. Trade relations will be normal. As for the dinar, its market value will be restored. Excess liquid assets will be skimmed off if only complementary actions to regulate the domestic market are implemented by the government.

#### [Box, p 2] Passage of Law Governing Wilayas

Early yesterday afternoon the APN [National People's Assembly] passed a law governing the wilayas following presentation of the Legislation and Legal and Administrative Affairs Committee report.

The amendments retained particularly affect the powers of the president of the Wilaya People's Assembly, the wilaya's right to appoint a supervisory committee, and the wali's obligation to make available to elected representatives any information likely to help them in their work.

#### Blida Farmers Demand Tax Exemption

90AA0063B Algiers EL MOUDJAHID  
in French 3 Apr 90 p 5

[Text] APS—Farmers established through the reorganization of the Socialist Agricultural Lands [DAS] in the governmental district of Blida have requested a tax and duty exemption for a period of at least 10 years.

Joined together recently under the aegis of the UNPA [National Union of Algerian Farmers], the farmers organized today in EAE [expansion unknown] and EAI [expansion unknown], feel that their request, expressed in an open letter received by the ALGERIAN PRESS SERVICE [APS] on Saturday, is justified because of "their taking complete responsibility for their share of all the problems of development and all questions related to socioprofessional life and the rural world."

The farmers are asking the relevant authorities to "look effectively into a solution to the many problems which are theirs. They outlined a certain number of difficulties which remain, specifically the increase in the price of production factors and agricultural equipment, the imposition of interest rates of more than 11 percent on investment credits, the reduction of loan repayment periods. They also noted the existence of a climate of insecurity and feel that they have been abandoned to all kinds of abuses, including those from the administration."

The open letter suggested giving agriculture priority status in order to promote it and to free the country of its food dependency.

The farmers stated in this letter that they felt that the government should first of all define a more stimulating policy for strategic products, facilitate access to credits, increase the package of definitive credits, and expand it to include other categories.

On the other hand, they felt that action should be started to increase and stress the spirit of the reorganization of the DAS, and they suggested creating a vegetable and animal products bank. Finally, they demanded a more just policy of recovery of the right of land use.

## EGYPT

#### Government Criticized for Poor Domestic Planning

90AA0088A Cairo ROSE AL-YUSUF  
in Arabic 2 Apr 90 pp 8-9

[Article by Salah Hafiz: "Stop! A Project, for God's Sake"]

[Text] I don't understand how the blood, sweat, money, and tears, which were spent by people to cultivate plants in 50,000 feddans, are spent in vain, and the plants themselves allowed to wither because the minister of irrigation had a disagreement with the minister of electricity or the minister of electricity had a disagreement with the minister of agriculture.

I don't understand how the olive, orange, and apple trees planted by a young Egyptian man in an area of land in the Egyptian desert would be uprooted by bulldozers when it turns out that this land had been designated for the state. Instead of telling the young man to continue cultivating the land for the government or telling him to take the money he spent cultivating that piece of land and go elsewhere and start over again, bulldozers are brought in to uproot the trees he planted so that the state can come back and plant the land once again with olive, orange, and apple trees.

I don't understand why officials would charge tenants living in new cities an additional rent increase above and beyond the old one after the president visited these new cities and ordered that people living there continue paying the same rent they have been paying for their homes.

I don't understand how the state can tell people, "Let's make the desert flourish and thrive," only to trap them in that desert, throw them out of the homes which were built there, and surprise them with unexpected eviction notices and announcements that these homes were for sale and not for rent.

I don't understand how all this can happen in a country which claims that its primary cause is to put its desert to



good use, grow its own food, and steer its growing population into new cities where they can be accommodated.

I don't understand how all this can happen, but it does. The fact that it does happen means that the government is concerned about other issues which are more important to it than food, population growth, and putting the desert to good use. What precisely are these other issues? I think that the government itself does not know what they are.

A few days ago a friend of mine, who is a writer, asked me, "What is the national plan which is steering the government in Egypt now?"

The word "plan" is an unexpected addition to the political vocabulary in our country. It implies the hope that what the government promised will materialize, and it also implies the goal which the nation is being mobilized to achieve.

I said, "I think that 'our plan' is to provide food for the millions which are born to us every year like rabbits."

He said, "If this were 'our plan,' planting the desert and building new cities would have been the government's top priority. If this were 'our plan,' all laws and provisions delaying the conquest of the desert would have been repealed with one stroke of the pen, and all customs fees and taxes levied on pumps for irrigation and drugs for cattle would have been canceled. If this were 'our plan,' every civil servant who delays in cultivating one inch of land or uses a bulldozer to uproot a single tree would have been fired immediately."

I said, "Maybe the government has a plan other than the food plan."

"Like what?" asked my friend.

I said, "Like leading the Arab world, for example, or catching up with the technological revolution in the world."

He said, "If our plan were to lead the Arab world, we would have amended the constitution so that every Arab could become an Egyptian citizen. If this were our plan, Arab students would have been admitted in our universities without paying in hard currency; Arabs would have been given the right to own property in Egypt; and an open parliament, besides the People's Assembly and the Advisory Council, would have been established to represent Arabs of all nationalities, and we would have ...."

I said, "Hold it! Don't get carried away with those dreams."

He said, "Let's forget then about the plan to lead the Arab world."

I said, "That would be better. What do you think about the plan to catch up with the technological revolution in the world?"

He said, "In this case, all the laws would have to be changed in favor of the plan. No customs fees would be collected on any new, technological devices, and those who import technology would not be asked to obtain import permits. We should try very hard to bring back brilliant Egyptians who immigrated from Egypt. We should use money, and we should treat them with respect to induce them to return to Egypt. Such a policy enabled India to build a nuclear bomb, and China used the same policy to build a satellite which it launched into space. Television and radio stations should stop broadcasting programs which ridicule science in the name of religion, and ...."

I said, "Please stop. Every time I mention a plan, you ask that our entire legal and constitutional system be turned upside down. Enough already!"

He said, "I am only asking for what is necessary to achieve the plan you are proposing. If you stop proposing plans, I will stop making demands."

I said, "I think that would be better."

My friend turned away and left, and I thanked God for sparing me further embarrassment and a headache.

After my friend left; however, I thought about our conversation and I wondered, "What really is the government's plan in Egypt? What is the goal around which it wants to mobilize us? What is the goal it is leading us to achieve?"

The truth is I couldn't come up with an answer to that question.

To our government all goals are equally important. It seems that no one goal is more important to it than another. That is why the government appears to the public to have no specific mission, and the public shares the government's feelings: it is neither for the government nor against it. And how can the public have a position when the government itself does not have one?

The government's right hand doesn't know what its left hand is doing. After paying millions of pounds to help young people cultivate the desert, it turns around and pays millions to lease bulldozers to uproot the trees which the young people planted.

After building new cities which people, running away from congestion, can move to, the government turns around and throws them out of the homes to which it had lured them. Then it tells them, "You can own these homes if you pay for them. These homes are no longer for rent."

The government digs canals and builds irrigation stations, but then it turns around and cuts power to these stations. Consequently, 50,000 feddans of trees which bore fruit for five years wither and dry out.

The government also pays millions of pounds for the Arab cause and for technology, but then it turns around

and pays millions of pounds to destroy that for which it paid millions to build. In all these cases the government appears to be very much committed to a certain project, and, [at the same time], very much opposed to it.

There is no explanation for that except to say that the government's right hand does not know what its left hand is doing. In either case, the government does not have a plan in the first place. That is why it does not regret spending money to tear something down which it had spent money to build. The government is not bothered when it says something and its agencies then do the opposite. But the government becomes really alarmed when a threat to its authority manifests itself.

When that happens, all issues fade away and all priorities recede. When that happens, all the powers of the state are devoted to one purpose: to protect those in power from those forces which want to destabilize the country.

This is undoubtedly something that must be done and should be done, but it is not enough to justify the government's survival. It is not enough to keep the government in power. People expect their government to give them something they can strive for and a clearly defined hope which would bring them together so they can struggle to make it materialize.

So far, no government in Egypt has declared such a goal or such a hope, and none of our ruling authorities, including the People's Assembly, has at any time committed itself to such a goal or hope in front of our people. Everyone prefers to remain uncommitted, and the people themselves do not commit themselves to anything either. And how can they when no one tells them what commitments they should make, and no one promises them any mutual commitments either?

My friend was certainly right. Egypt really needs a plan which could pull Egyptians together. Maintaining the stability of the government and protecting security do not add up to a suitable plan for pulling the masses of a nation together. Nor do they add up to a suitable dream for which people live and for which they would endure hardships.

Although my personal suggestion is that the plan should be, "Food for everyone," I am willing to give up my suggestion if the state which rules us proposes another plan. It does not matter whether the state's plan is better than mine or worse, whether it is possible or impossible, or whether it will lead us into a paradise of prosperity or a hell of poverty.

What matters to me and to millions of people in this country is that the government in our country have some sort of plan and that we know what that plan is so we can decide where we stand on it, participate in carrying it out, demand that it be changed, or even rebel against it. Whatever we do, we would know what we are doing.

What matters to me and to others in this country is that we have a plan that becomes our cause. We would devote

ourselves to such a plan, and, while we may disagree or agree about it, the plan would turn our attention away from sectarian strife. Having such a plan would keep us from becoming preoccupied with differences over the history of al-Nahhas, al-Sadat and 'Abd-al-Nasir. We would not become preoccupied with comparing the system of voting for individuals with that of voting for lists, and we would not become preoccupied with bank profits and with the legitimacy of music, dancing, and movies.

What matters to me and to others is that we have a plan that can pull us together in the face of the real dangers which are about to destroy our existence and literally wipe us off the face of the earth. What matters to me and to others is that we have a plan to spare us from the continuing string of exchanged insults and from repudiation and counterrepudiation. What matters to me and to others is that we have a plan to spare us from fires which are started by stupid boys and from violent battles over our late leaders: from Muhammad 'Ali to Anwar al-Sadat.

Rulers of Egypt, we want a plan for God's sakes. We want a plan for God's sakes, you charitable people.

#### **Government Urged To Acknowledge, Stop Torture Practices**

90AA0068A Cairo AL-SHA'B in Arabic 3 Apr 90 p 3

[Article by Ashraf Radi: "U.S. State Department Report on Human Rights Condemns Egyptian Security Agencies"]

[Excerpt] The U.S. State Department issues a yearly report on the state of human rights in the various countries of the world. AL-SHA'B here publishes the most important points in the pages that deal with the situation in Egypt. It goes without saying that we do not have a good opinion of American intentions and do not suppose that their pronouncements about human rights are free of bias. We need only recall that their focus on Soviet human rights has been virtually limited to the question of allowing Jewish emigration—to Israel, in particular!

But although we recognize this, we think that the American report is highly important and will help us greatly in our democratic struggle. For our authorities deny with amazing brazenness all the facts and accusations that we testify on before them. They lie without batting an eye, so that many of our honorable countrymen have imagined that we are lying, or at least exaggerating.

Thus, the value of the official American report...for its authors speak from knowledge. They are in close contact with all the sources. They contacted everyone concerned before writing what they wrote. This is their testimony.

The Americans' friendship with our government is greater than their friendship with us or with the other opposition parties. Nevertheless, in their testimony in this report, we see them confirming every word we have

spoken about torture, imprisonments, the state of emergency, and the elections, and giving the lie to the government's every pronouncement on these subjects.

The year 1989 saw an increase in voices of protest and disapproval coming from many organizations working in the area of defending human rights concerning the practices of the Egyptian government. Reports by these organizations show that the government has a full record in the area of practicing every sort of human rights violation and that the matter no longer permits silence.

In the second half of last year, voices of protest were raised and telegrams were sent to the Egyptian president and authorities demanding the release of the leaders of the Egyptian Organization for Human Rights, whom security forces had arrested. Other demands included the release of the remaining accused persons on the grounds that they were prisoners of conscience, the halting of torture in prisons, and the trial of those accused of having used torture.

Telegrams of protest were sent to Egyptian authorities by: Amnesty International, the American Lawyers' Committee for Human Rights, Human Rights Watch, the International Society of Democratic Lawyers, the Organization To Protect Journalists, the International Union of Democratic Youth, Writers in Prison Organization, the Arab Organization for Human Rights, the Committee To Defend Human Rights in Iraq, friends of human rights in the American Congress, and a number of American university professors.

The UN Committee To Combat Torture also discussed the Egyptian government's report on torture, which acknowledged the existence of individual cases of torture whose perpetrators were being called to account. The international committee asked to read the complaints that had been presented concerning torture in Egypt. It asked about the extent to which public opinion in Egypt had been informed about the danger and illegality of torture.

#### **Independent Investigating Committee**

Amnesty International has called upon the Egyptian government to carry out a broad public investigation by an independent committee and to publish it, describing public opinion about the phenomenon of torture in Egypt. The organization has asked that the committee be composed of persons possessing honesty and independence from the official Egyptian authorities, that it be shielded against the government and its influence, that it include representatives of the Judges' Association and the lawyers' and physicians' unions, and that it have the authority to summon witnesses, call for records and documents, conduct investigations in places where torture has occurred, and publish its report and recommendations without interference.

Although the organization has indicated that such an investigation would be a sign of the extent of the Egyptian government's determination to stop torture, the

government has not responded to the request. The story of torture in Egyptian prisons and even in police stations by police officers has continued. Many reports issued about the state of human rights in the world have proved many cases of torture. These cases have reached such an extent as to move one senior journalist in Egypt to cry out on one of the pages of AL-AHRAM. Reviewing the types and forms of torture to which the people of the Arab nation, including Egypt, are being subjected, he demanded that citizens be freed from this injustice. [passage omitted]

#### **Investment Firms Said Unable To Meet Repayment Deadline**

*90AA0071A Cairo AL-WAFD in Arabic 28 Mar 90 p 3*

[Article by Muhammad Tulbah: "June 9—Depositors Face the Impossible"]

[Text] The tragedy of investment companies continues; even more acutely as certain unreconciled investment companies approach the 9 June deadline for refunding deposits. Following investigations into six such companies by the socialist prosecutor [government official charged with prosecuting crimes involving the exploitation of people], the two largest unreconciled companies said they were ready to make repayments by the deadline set by the Deposits Act and its guidelines. The announcement was the only glimmer of hope for ending the suffering of depositors who were unable to withdraw any funds from those investment companies that were put out of business when the law was enacted in 1988.

The funds for which they [depositors] suffered and agonized face an uncertain future in light of the country's current economic crunch of escalating unemployment, lack of jobs for young people, excessive external debt, high prices, inflation that devours salaries and wages, a recession that has afflicted the Egyptian market for several years, and the declining purchasing power of the Egyptian pound.

We will not go into how the government helped those companies spread their tentacles by failing to intervene at the right time to protect depositor funds. The investment companies operated freely for 10 years before the government intervened with a law that has so far done nothing for depositors even though it has been on the books for two years.

#### **June 9 and the Impossible**

The question now is: Will the unreconciled investment companies be able to repay all depositor funds by the deadline? This is difficult to answer especially in light of recent developments. A serious problem, heretofore unidentified by the authorities, has emerged over the past few days. Some investment companies are exaggerating the value of the physical assets they are selling depositors in lieu of funds. Especially threatened are those with small deposits ranging from 500 to 5,000 pounds, which

are now at obvious risk despite the misery they endured since the Deposit Act became law.

#### 4,000 Pounds Asked for a Meter of Land

Al-Huda Misr investment company listed the assets it is selling depositors in lieu of their funds. The list includes land in Al-Ma'adi valued at 9.5 million pounds or 4,000 pounds a meter! The list also includes land at 6 October valued at 3.5 million pounds, land at al-Liwa' valued at 4.6 million pounds, land at al-Muhandisin valued at 2.1 million pounds, land at Barakash valued at 4.1 million pounds, a group of laundromats valued at 1.5 million pounds, land at al-'Ajamai valued at 50,000 pounds, grain silos valued at 850,000 pounds, and a grocery store valued at 1 million pounds.

Also listed for sale are a trade and brokerage company valued at 15 million pounds, a building company valued at 3.5 million pounds, a public relations and advertising company valued at 6.5 million pounds, a meat processing company valued at 30 million pounds, a tourism and real estate investment company valued at 17 million pounds, a food processing company valued at 14.4 million pounds, a cannery valued at 9 million pounds, a food and pasta company valued at 16 million pounds, a food and refrigeration company valued at 17 million pounds, a cattle ranch valued at 3 million pounds, an iron rod mill valued at 20 million pounds, an airline valued at 13 million pounds, and other physical assets and investments with a total value of 241.316 million pounds. These companies and assets are overvalued and some of them have yet to begin operations or go on line. Some factories do not even have machinery and are not worth the prices asked for them.

#### Pasta or Sauce

'Umar Sayid Zayn-al-Din said during an interview with company depositors: I worked in Saudi Arabia for one and a half years. My money has been on deposit with the company since 1988, but I never received interest. When I asked for my money back, I was told it had been converted into pounds from the original dollars. They offered to give me either pasta or sauce for some of the money and a limited partnership for the rest. I looked into buying land but found the prices astronomical. I would be partners with 170 individuals.

Sa'id Sayid Muhammad placed 16,000 pounds with two companies—al-Huda Misr and Badr for investment. He said: I sold half a feddan inherited from my father and placed the funds with those two companies in order to utilize the yield, especially in retirement. I have yet to get my money back, in cash or in kind. They offered me goods for half of my deposit and shares for the other half, but I refused and filed a complaint with the socialist prosecutor's office.

Mrs. Muhammad Yahia said: I placed 5,000 pounds with Badr for investment. They contacted me a while ago to tell me that in order to get reimbursed I must buy goods for half the amount [due me]. I did, indeed, buy

four electric fans and two sets of china, but was surprised to find that they were priced above market. I was also obliged, for fear of losing my money, to buy several blankets even though I had no need for them. I am being paid no interest on the remaining half of my money, and I don't even know what became of it.

Sa'id Sayid Muhammad filed a complaint with the socialist prosecutor's office against the Al-Huda and Badr companies, to which he paid 15,000 pounds [as published], after al-Huda offered to sell him feta cheese for 2,000 pounds. He cries: What would I do with all that cheese? I am not a grocer! Al-Badr also offered to sell me goods, but I found them to be old and refused them.

Rushdi al-Mugharbil explains that unreconciled investment companies have no defined procedures for returning deposits. Moreover, some of them circumvent the Deposit Act by disposing of company assets to the benefit of large depositors. I am waiting for the socialist prosecutor to investigate the complaint I filed for not getting my due.

Depositor Mahmud Amin asserts that most assets have not been audited. The fact that a meter of land is priced at 4,000 pounds proves that companies set prices free of supervision. And even then, how about the shares of small depositors who are unable to purchase such assets?

Mahmud Sami 'Abd-al-Hamid emphasizes that no assets will be available to be seized by the socialist prosecutor after the 9 June deadline. The companies are careful to dispose of their overpriced assets before then, and we, therefore, call upon the socialist prosecutor to intervene, oversee the asset sale, and make sure that they are realistically priced when sold to depositors.

#### Denial by Company Principals

Investment company principals, on the other hand, deny that the assets are overpriced; some even claim they are below market. They also assert that their companies will refund all deposits by 9 June. Depositors disagree.

This contradicts what investments owner Mahmud Tahun said: that all deposits would be refunded before the end of the month of Ramadan [April]. He reiterated that all depositors will get their due and that 52 percent of deposits have already been refunded. He added: The government rejected a Kuwaiti investor's offer to pay depositors 40 million pounds for certain company assets. I do not know why the money market representative rejected such an offer! As to asset prices, they are below market. The company sold a number of furnished residential villas at al-Ghardaqah for \$120,000 pounds each, whereas the governorate commands \$117,000 pounds for [similar] units delivered unfurnished six months later. The units the company sold had furniture valued at 30,000 pounds, but we are forced to sell the assets because we lack the liquidity to refund all deposits. The company, after all, is an investment firm. Any bank would be badly shaken if all depositors demanded their funds all at once. Any depositor who is not repaid by 9

June will be an asset owner. Depositor complaints to the socialist prosecutor are nothing out of the ordinary because we can't please all 20,000 depositors at the same time. Some 300 or 400 depositors have filed complaints because they want their funds in cash.

#### **Al-Hoda Misr Refunds 100 Million**

'Asim Abu-Husayn, brother of the owner of al-Hoda Misr company, emphasized that depositors can choose choice between the goods and the projects [investment shares] offered to them. He denied the charges of complainants to the socialist prosecutor, and asserted that the company has refunded 100 million pounds during the past 40 days, and that the company has assets of 400 million pounds vis-a-vis deposits of only 360 million pounds. He added that his company is diligently working to refund all deposits by the 9 June deadline, that deposits of up to 1000 pounds are being refunded in cash, and that the company is currently reimbursing 700 depositors in the 500-pound class.

The third party to this issue is the office of the socialist prosecutor which said in statements published in AL-WAFD that it is diligently overseeing depositor reimbursement. Councilor 'Abd-al-Mu'iz, chief of the Bureau of Investigations, emphasized that his office received no complaints of overpricing (even though AL-WAFD has on hand a list of complaints.).

#### **Water Issue Subject of Hot Debate in People's Assembly**

90AA0068B Cairo AL-SHA'B in Arabic 3 Apr 90 p 4

[Article by Fayiz Zayid: "Alliance Confronts Government Slowness in Dealing With Conspiracy To Cut Off the Nile's Water From Egypt"]

[Text] Alliance deputies warned the government before the People's Assembly of the danger of an American-Israeli conspiracy against the waters of the Nile by building dams on the Nile's headwaters in Ethiopia. This is being done with American-European funding and implemented by Israel in order to blockade Egypt economically, following the Egyptian-Arab-African rapprochement.

In their questions directed at Engineer 'Isam Radi, minister of public works and water resources, the deputies criticized the fact that the ministers of defense, foreign affairs, and agriculture had ignored attending the session that the assembly had set aside for discussing questions that affect the destiny of the Egyptian people.

Engineer Ibrahim Shukri, leader of the opposition, spoke at the beginning [of the debate], saying, "There is no doubt that the questions submitted by 14 People's Assembly members from all the political leaderships, opposition and progovernment, reflect the danger to the entire Egyptian people of the building of new dams on the Nile in Ethiopia. The minister of public works and water resources, Engineer 'Isam Radi, has not denied the

cooperation between Israel and Ethiopia. Israel wants to play with the waters of the Nile in order to put pressure on Egypt in certain political matters."

Shukri pointed out: "Egypt is the one African country that is fighting for the water of the Nile. We must expose this conspiracy for all the African countries to see. The people of Egypt must understand the real state of affairs. The Egyptian government must move on the international level to expose the real state of affairs before world public opinion. It must submit this critical issue to the entire world, so that it will know that if the waters of the Nile are held back from Egypt, Egypt will turn into a barren desert and the Egyptian people will die of thirst! I, therefore, ask Egyptian diplomacy to go to the international community to expose the dimensions of this dangerous matter that threatens the Egyptian people."

#### **Where Is the Government?**

Dr. 'Isam al-'Uryan questioned the minister of public works and water resources about Ethiopia's reported determination to build dams on the upper Nile, thus threatening Egypt's water resources. He asked, "Does the Nile water issue constitute a danger or not—especially since we have no source of water but the Nile?"

The Alliance deputy pointed out that water has become a most dangerous tool of political pressure, like the pressure of military force. Water has become a deadly weapon in the arsenal of weapons.

Dr. 'Isam al-'Uryan criticized the fact that the ministers of defense, foreign affairs, and agriculture had ignored attending the discussions of this critical issue that affects the destiny of the Egyptian people.

The deputy said, "There is danger because of Ethiopia's building of dams on the sources of the Nile. Nevertheless, we see the minister, Engineer 'Isam Radi, from a position of responsibility wanting to reassure the Egyptian people about this critical issue. Now, however, he has disturbed us, since he has acknowledged the existence of projects that Ethiopia is erecting on the Nile. Ethiopia insists on erecting these projects with Israeli help in their implementation. Ethiopia is contacting funding agencies. The minister has acknowledged all these facts before us here in the People's Assembly. This is something that should not have to be said here! The government ought to have moved to confront these dangers that threaten the Egyptian people. The biggest disaster is that Israel is thinking of persuading the Ethiopian government to dry up the water and build agricultural projects. The basic motive behind these projects is to blockade Egypt, especially after the Egyptian-Arab-African rapprochement; yet we have not seen the government take up any means to confront this war that has been declared against Egypt!"

Dr. 'Isam al-'Uryan demanded that this critical subject be referred to a joint parliamentary committee from the committees on defense, foreign affairs, agriculture, and

irrigation, so that they might discuss this issue that affects the destiny of the life of the Egyptian people.

#### Government Asleep

Alliance deputy Basyuni Ibrahim Basyuni questioned the minister about the government's position concerning reports in some newspapers that Israel was trying to reach an agreement with Ethiopia to build dams on some tributaries of the Nile, thus affecting Egypt's and the Sudan's share of the river's water. The deputy said, "The countries of the Nile basin are targeted. We see that Israel has set up projects to improve agriculture in Ethiopia. It has also undertaken the construction of four dams on the Blue Nile. By all this, Israel wants to put pressure by the peace treaty on Egypt. It wants the waters of the Nile to reach Jerusalem! The banks of Italy and America and the African Bank are funding these projects that constitute an extreme danger to Egypt."

The deputy asked, "Where is the Egyptian government when it comes to taking an interest in this serious issue that affects the destiny of the entire Egyptian people?"

Alliance deputy Muhammad al-Shitani asked the minister of public works about national and international press reports about Israel's link to a project to erect dams on the tributaries of the Nile in Ethiopian territory, thus threatening Egypt's share of the Nile. The deputy said, "What moved me to address this important question to the government were newspaper and radio reports about Israel's building of dams on the Nile's tributaries in Ethiopia. This subject is extremely critical. The government, therefore, had to be alerted, so that it might take decisive steps in this life-or-death matter for the Egyptian people."

The deputy stated: "Suspicious relations exist between Israel and Ethiopia. Expert firms in Ethiopia and Israel are now studying 33 projects for Ethiopia. These are very critical projects, since they involve the construction of dams and barrages on the tributaries of the Nile. A dam to irrigate 23,000 feddans has in fact been built. This means a deficit in our water equal to 1/2 billion cubic meters! A barrage for [generating] electricity has been built on a tributary of the Blue Nile. They are planning in Ethiopia to irrigate more than 400,000 feddans in the year 2000. A serious matter, government! Move before it is too late!"

#### Natural Gas Well Holds Estimated 15-Year yield

90AA0055A Cairo AKHIR SA'AH  
in Arabic 28 Mar 90 p 14

[Article by Muhammad 'Ali al-Sayyid: "Important Petroleum News From the Western Desert Fields: Petroleum Reserve Doubled 18 Times and Production Increased Sevenfold. A Natural Gas Well To Satisfy Egypt for Next 15 Years"]

[Text] How do the oil men regard the foundation of the future amid the seas of sand of the Western Desert? And

how have Egyptian youths in the oil sector achieved the miracle of doubling the reserves by more than 18 times and the output more than sevenfold and making 10 years' of discoveries surpass what was discovered over the previous half century? What did the agreements dividing the natural gas achieve in developing the desert and attracting several new companies? AKHIR LAHTHAH [as published, meaning Final Second as opposed to AKHIR SA'AH meaning Final Hour] observed [all of this] on its airplane trip with the Minister of Petroleum on one of his periodic trips to check on the progress of work in the oil fields.

In the plane returning from the Western Desert, I asked Chemist 'Abd-al-Hadi Qandil about the result of his decision to conclude agreements to search for natural gas in Egypt. These agreements began being implemented for the first time in February 1988 with the aim of encouraging exploration for oil and gas in the Egyptian deserts by foreign companies which refrained or announced that their efforts had failed, leaving the exploration areas when they did not discover a natural gas well. He answered me with noticeable pride: "The Badr-al-Din (3) well." Then he fell silent.

So what is the story of this well?

Engineer Midhat Hutatah, the deputy chief of the Petroleum Organization for Gases, says: "The Badr-al-Din (3) well is considered one of the largest natural gas fields discovered in Egypt at present; its reserves total 3 trillion cubic feet of gas, enough for Egyptian consumption for a period in excess of the next 15 years. That is the start of the payoff of more than 35 exploration agreements which the organization signed with companies specializing in this field over the past two years."

That was not the only result of that long trip to a number of work areas in the oil fields in the Western Desert, the fields of the new Badr-al-Din, Khalidah, and 'Ajibah companies. They commenced operations during the period of the 1980s, but they helped with other companies in achieving what had not been achieved over the previous half century.

The chief of the Petroleum Organization for Gases said to me:

"During the period 1980-1990, 178 wells for oil and gas were dug in the Western Desert while only 160 wells were dug from the beginning of 1935 to 1980. Likewise, the experts and youths of the seven companies operating now in the Western Desert have doubled the reserves of the wells of these deserts during the last seven years by approximately 18 times, and have doubled the oil extracted from many of these wells about sevenfold by using the new system of pumping water into the wells.

#### The Largest Gas Field

Our first stop at the new Badr-al-Din Company airport began with the inauguration of this airport, which is considered the final indicator of the efforts made during the past seven years."

Engineer Mustafa Hamid, the head of the company, said:

"It was assumed that work would end in the company's fields this year (1990), according to the indicators in the beginning, in 1983. At a production rate of 4,000 barrels a day, with a reserve not exceeding 30 million barrels, it would be done within only seven years. Modifications were made in the petroleum agreements, and new terms were added for the exploitation of the gases by a system of dividing production. The first agreement of its kind for that, to search for gases and develop whatever are discovered, was signed with Shell International, which is the foreign partner in the Badr-al-Din field. It made it possible for the foreign company to invest more than a half billion dollars in financing the new projects and developing the search for gas and petroleum. That is what helped to double the production of these fields from 4,000 barrels a day to 16,000 barrels a day at present, then to 40,000 barrels a day next July—that is, a rate of increase of ten times at the beginning. This is along with doubling the reserve about 17 times, from 30 million barrels to 525 million barrels of crude oil and 3.3 trillion cubic feet of gas."

He went on to say:

"Therefore a big industrial complex for work in the area was established, the most important part of it being the natural gas production plant which will begin production next June at a capacity of about 125 million cubic feet of gas a day. It is a huge plant whose construction cost \$266 million and was carried out in 30 months by Egyptian companies. The natural gas will be conveyed to the industrial area in al-'Amiriyah and from there to the various industrial areas in Alexandria and the electricity stations there, in addition to its being used as fuel for homes, etc. Because of this, the new airport was built in place of the previous land transport, along with the construction of a residential city for the workers supplied with land roads and a microwave network."

#### Eight Times the Reserve

The airport midway between the Khalidah and 'Ajibah companies, in the far west of the Western Desert about 100 kilometers from Matruh, was our second stop, beginning with the Khalidah Company. We were guided by the explanation of Dr. Mustafa Sha'rawi, the head of the company, who began by saying:

"Implementation of the project of injecting water into the Salam and Khalidah fields aided in increasing the extractable reserve from the wells about eightfold. It has now become 117 million barrels, as a result of the development projects whose investments totalled \$356 million, with a daily output reaching 25,000 barrels of oil. It also has 4 million cubic feet of gas capable of being increased to 30 million cubic feet of gas a day when there is an ample consumption market for gas in Matruh Province when big electric stations or other industrial projects are carried out.

"That is in addition to implementation of the concentrates plant, which is producing 145,000 barrels a year, providing \$2.5 million, and which is able, due to the excellent quality of the oil produced from the wells, to increase its grade which is valued at about \$250,000 annually. Thereby the project has recouped what was spent on it in only three years, since \$7.5 million was spent on implementing it.

"Currently a gas pipeline from the Khalidah area to the city of Matruh, a distance of 95 kilometers, is being completed at a cost of \$12 million to carry the gas to the electric station there and to the industrial areas on the northern coast."

#### Seven Times the Production

By traversing the road running between the two companies, which does not exceed a few kilometers, we were among the workers in the 'Ajibah company for Geologist Hani Hafiz, the head of the company, to explain to us that the project of injecting water into the wells of the area helped increase the extractable reserve about sevenfold, from five percent to 35 percent of the volume of petroleum stored in the wells, and that the project was carried out in two stages with an investment of \$10 million. The first stage ended in the Malihah field, and work in three other fields—Aman, Malihah Southeast, and Malihah Northeast—will end next September.

The oil pipe extending from Malihah to the port of al-Hamra near the al-'Alamayn area, which is 167 kilometers long, has carried the crude oil produced by the three companies in the area ('Ajibah, Khalidah, and WEPCO [Western Egyptian Petroleum Company]), and during the past three and one-half years since its completion, it has shared in carrying 43.5 million barrels. It also played a part in attracting many of the international companies to work in the Western Desert.

#### Family Planning Discussed as Population Figures Worsen

90AA0032A Cairo AL-MUSAWWAR  
in Arabic 23 Mar 90 p 55

[Text] You might not believe that official figures say that the population in one square kilometer in the lower-class neighborhoods in Cairo such as Bab al-Sha'riyah, Bulaq al-Dakrur, or al-Wayali and others exceeds 100,000 persons. In nearly the same area the population of the upper-class neighborhoods in al-Zamalak, Garden City, or al-Ma'adi is only 8,000 or slightly less. These figures reflect family behavior here or there with respect to reproduction and multiplying their numbers. In the upper-class neighborhoods we see that the family does not have more than two or three members, but in the lower-class neighborhoods the numbers rise to the point of disaster. This clear picture brings home to us the basic issue that confronts Egypt in the nineties, and which is a basic obstacle to development, growth, and building. It fact, it constantly swallows up all development efforts carried out through the five-year plans, efforts which

achieve high production rates, but which are modest when compared to the increase in population.

With every sweep of the second hand to make a minute, two are born in Egypt; to be precise, a new baby is born every 27 seconds in Egypt, even though officials in the Egyptian government warn that the population explosion represents a threat to progress. The upshot was that by the end of last November the population of Egypt had reached 52,350,000 persons.

It is expected that over a year Egypt's population will rise by 2000, so after only nine years it will be up to 70 million, and Cairo will add 5 million persons to the 10 million it already has. Even now it might take 10 hours to traverse Cairo from end to end by car, and one might be excused for not taking a car at all under those circumstances.

#### Limited Resources

Economists all agree that our primary resources are limited, for our agricultural land is limited in area in spite of all the feddans that are reclaimed every year, and production has reached its maximum limit of vertical expansion. Our water resources are limited by the Sudan agreement, and our petroleum resources are equal to our underground reserves which are expected to end in a few years. Thus, these resources are used up with every increase in the population. This is in addition to the fact that the human element in Egypt has several characteristics which make it different from other peoples, for the population increase is 2.8 percent a year, and about 400,000 individuals enter the labor market at a rate of five percent a year, and 55 percent of the population is illiterate, that is, more than half the population does not know how to read and write. Also the larger part of the population suffers from a decline in the standard of health and nutrition, which affects productivity and makes wages low. This makes it clear to us the extent to which the population increase hinders the process of development in Egypt.

#### Individual Share

When we consider the per capita share of the national income we see that it was up to 40.7 pounds a month in the mid-eighties, and if we look at the the rate of price increases and inflation, noting that it was up to 30 percent a year, we see that the per capita share of the national income does not even meet one's essential needs.

Official figures show us that we import half our essential food needs such as sugar, clarified butter, oil, flour, and other essential materials.

#### Basic Role of Religion

Dr. Abu-al-Wafa al-Taftazani, head of the supreme council of Sufi orders, explained that the population increase in our Egyptian society has become rapid and incessant as a result of the birth rate and a fall in the

death rate, and development plans are no longer able to meet this fearful increase in the population. Religion has an important role in solving this problem, because Islam urges us to work in earnest for society, just as it calls for loyal devotion in what we do, as well as for increasing production. These are all nonmaterial factors that lead to revival and progress in diverse fields. Likewise we must confront the population increase by reclaiming more land, building homes, and providing food.

Here birth control becomes necessary at this stage in our life. The glorious Koran has called for reproduction over time, as is indicated by what the Almighty said: "His mother bore him and weaned him in two years" [Koran 31:14 (13)] Since a woman does not usually conceive while she is nursing, the meaning of that is that there should be a period of no less than two years between one child and the next, during which she would rest from childbearing and pregnancy.

The use of birth control in Islam is also permitted, for it is reported in Sahih Muslim [early Islamic historical text]: "At the time of the Prophet of God, God pray for him and grant him peace, we used to withdraw, and the Koran was sent down and it did not forbid us." This indicates that the Prophet of God allowed the use of the birth control method known at his time, namely withdrawal from the woman.

#### Comprehensive Development

Dr. Subhi 'Abd-al-Karim explained that economic growth resulting from the process of development, development in its comprehensive sense not merely its purely economic one, can ensure that. The proof is that if we classify the world into developed states and developing states, we see that the developed states have achieved population maturity and the developing states are the ones that are still in the midst of a transitional stage that includes a number of factors such as the standard of living and the level of family income. Whenever the family income level goes up the standard of living of the family goes up, and the family grows more aware of the population problem and the merit of the pattern of a small family.

The logical question is: Can Egypt endure until it achieves this through growth or development alone, and can Egypt hold out during this stage, a stage of imbalance between population and resources, for several more decades? Or should we intervene and work to get Egypt out of this population impasse and to hasten the passage through the transitional phase to get to the phase of population maturity, which, demographically speaking, is rightly considered to be the land of security and safety for any society?



### Depositors Warned of Fraudulent Foreign Investment Ads

90AA0078A Cairo AL-MUSAWWAR  
in Arabic 20 Mar 90 pp 18-19

[Article by Majid 'Atiyah: "New Warning From the Central Bank: Fictitious Banks, Companies, Firms Trying To Attract Egyptians' Funds Abroad; Al-Taqwa Bank, Muslim Brothers' Bank, Lost Between Bahamian and Swiss Laws; A Jew in Austria Solicits Egyptians' Savings for His Firm in Accordance With Canonical Laws of Islam; Interest Rate in London Stock Exchange Is 8.5 Percent, but British Firm Advertises 18 Percent Interest Rate"]

[Text] Egypt's Central Bank has sounded a new alarm. It is warning people with savings not to give in to the temptation of high interest rates or high returns so they will not become victimized once again by fictitious companies or foreign banks which are not subject to the state's control.

The first alarm, which was sounded approximately five years ago, warned against investment firms that were operating in the country. But instead of recognizing the danger to their funds and their savings, people with savings ignored the warning and did business with these firms. And that is why people who invested their savings with these firms—those that are still in business as well as those which are being liquidated—are experiencing the disaster and the suffering which they are experiencing today.

The new warning which the Central Bank issued recently in the form of paid advertisements was spurred by ads which appeared in our Egyptian newspapers in Egypt and in Arab newspapers which are sold abroad where communities of Egyptians who are employed abroad can be found. Other amazing stories affirm that there is an ongoing conspiracy against the savings of Egyptians and against the stability of the Egyptian economy as a whole. The aim of the conspiracy is to deny the country the benefit of using these savings for development as an alternative to borrowing funds and incurring more debts.

Egyptian newspapers and newspapers which are published in Arab countries which have Egyptian communities were flooded last year, 1989, with ads that invited Egyptians to invest their funds. These ads, which took Egypt's Central Bank by surprise, gave no other information besides the address of one office in Geneva; another in Amsterdam, the capital of the Netherlands; a third in Vienna, the capital of Austria; and a fourth in London. In addition, banks, like Lender Bank in Austria and al-Taqwa Bank in the Bahamas in Latin America placed ads in these newspapers inviting people who have savings to deposit those savings in those banks. The ads offered depositors a return on their deposits that was greater than that which they would receive from Egyptian banks, from the bonds they issue, and from the savings instruments they offer. By offering "a variable

return in accordance with Islamic law, not a predetermined rate of interest," both banks played with religious feelings. While al-Taqwa Bank, which is owned by the Muslim Brotherhood in Egypt and abroad, may place such an ad, one must wonder how an Austrian bank, which is owned and operated by Jews whose chief is called David Cohen, can do the same.

In view of the fact that this advertising blitz, which came in the wake of the major collapse of fictitious investment companies in Egypt was basically targeting the savings of Egyptians, the Central Bank contacted banking authorities in the countries that were named in the ads which these foreign firms and banks had placed. The replies sent by the central banks in these countries indicated that these companies or firms were not registered or authorized by banking or monetary authorities in those countries and that they were merely offices which had post office box addresses and were not authorized to conduct any banking business. As far as the Austrian bank is concerned, that bank is owned and run by a group of Jews whose ads use the attractive term, "Islamic law," and talk about guarantees and security to attract the savings of Egyptians.

Al-Taqwa Bank, however, which is owned by the Muslim Brotherhood Group in Egypt and abroad, is registered in the Bahamas, which is located between the American state of Florida and the shores of the Republic of Venezuela in Latin America. This bank, which does business in Switzerland, is subject to Swiss law. This means that in case there is any dispute with the bank, the bank's legal liability would be divided between the laws of the Bahamas, which is a center for narcotics and arms trafficking, and Swiss law, which protects the confidentiality of depositors' accounts and reveals nothing about them. Involvement with al-Taqwa Bank in any legal dispute would be no easy matter.

#### Discussing the Situation

Faced with this grave situation, which was revealed by an investigation and by reports, Egypt's Central Bank, acting out of its awareness of its national responsibility for Egyptians' funds and savings, sent a detailed report to Prime Minister Dr. 'Atif Sidqi. The prime minister and Dr. Salah Hamid, governor of the Central Bank, held more than one meeting to talk about that subject. It was decided that Egyptians had to be warned against doing business with these fictitious companies and foreign banks over which neither the Central Bank nor the Egyptian government have any control so that their funds, which represent their life savings for the future and for their children, would not be lost. The warning was necessary because these savings are a national resource which must be kept in the country.

Reports about previous and present cases which involved Egyptians' savings being squandered were available to officials. It were as though squandering Egyptians' savings were a fixed and enduring plan to deprive individuals and the country of those savings

which could help shore up the Egyptian economy. When individuals have control of their savings and their wealth, Egyptians have investments and employment opportunities in their country among their own people. Examples of such cases [include]:

- Al-Sarafah Company which declared its bankruptcy in Saudi Arabia. When that company declared bankruptcy, the rights and funds of many Egyptians were lost.
- Al-Ajhuri Investment Company in Saudi Arabia received millions in Egyptians' savings. Although Saudi authorities arrested and imprisoned al-Ajhuri, they did not intercede on behalf of depositors because the depositors themselves, not the authorities, were the ones responsible for turning over their funds to that impostor. Thus, Egyptians' savings were lost.
- The Islamic Faysal Bank in Cyprus received 95 percent of its deposits from Egyptians, thanks to the efforts of an Egyptian who was its president. The story about the crisis which that bank experienced and the fraud and forgery which Egyptians experienced at that bank are well-known. Ultimately, this Egyptian was fired as president of the bank.
- The story about the Tanzanian gold was told by the director of the Islamic Fund in Geneva after his departure from that fund. He advertised the sale of shares at \$50 per share for gold which had been mined from the Republic of Tanzania and was worth \$100. The man received millions of dollars, but the people who gave him all this money have not yet received any gold of any value.

#### The Internal Situation

Egyptian authorities were not able to do anything about what happened to Egyptians outside the country. But in those cases which happened inside the country, they had to step in to protect depositors' funds.

Acting through the Central Bank and public banks, the state intervened to save the Islamic Bank for Investment and Development when the bank, whose losses had exceeded its capital and depositors' deposits, was at risk of bankruptcy. The Central Bank subsidized this bank with 10 million pounds, and public banks purchased bank shares to increase the bank's capital so that once again the bank could stand on its feet and protect depositors' funds. The bank had been involved in financing the sale of durable goods, and one investment firm had tried to gain control of it and to turn it into a legal outlet through which funds could be smuggled abroad. But the Central Bank opposed the control of the bank by that investment firm even though a clergyman, who is a major shareholder in the bank, had interceded on behalf of the investment firm.

The state interceded on behalf of depositors who had placed their savings with investment companies, and its intercession in this matter revealed a continuing string of fraudulent operations as well as fund smuggling operations which deprived the country of investment opportunities which

could have created employment opportunities for young people and raised the standard of living. Had it not been for the state's intervention, these savings would have vanished altogether, just as they did in the case of al-Rayyan Company whose liquid and fixed assets so far amount to no more than 17 percent of all the funds deposited with that firm. With regard to companies whose status has not been resolved and whose cases were turned over to the socialist prosecutor [government official charged with prosecuting crimes involving the exploitation of people], the shortfall exceeded 40 percent of all deposits.

Ominous comments were made by accountants in their reports on companies whose situations had not been resolved or, as one senior official put it, whose situations were "fudged." There is, for example, a company which had budgeted over 400 million pounds in contributions to what it said were fraternal companies. The accountant stated in his report that "he was unable to review documentation of these contributions." Another firm resorted to appraising its assets at market value, not at book value, and the difference, which exceeded 100 million pounds, went directly to the owner of the company instead of computing it as a dividend to which depositors were entitled. So far, these firms have not paid any dividends to depositors. They did not even pay part of the deposits they received from individuals who need that money now for their daily existence. In fact, some companies threw out some depositors, using canes and whips to discipline those who stood in front of the company's windows.

The government left these firms alone because it does not want a repeat of the al-Rayyan tragedy. The government hopes these companies will succeed in their endeavors and that depositors will get their money back.

By enacting the investment law the government protected the country from the establishment of such companies, and it offered people with savings the best guarantee that the money they saved will not be collected under any enticements. By enacting this law the government guaranteed that people will not take this money and run with it or smuggle it abroad, as we saw more than 30 companies do. The cases of these firms are now pending in front of the socialist prosecutor.

#### Bankers Speak

All these matters were the subject of discussion when the subject of the new ads which flooded Egyptian and Arab newspapers was talked about. These ads invited Egyptians to invest their funds and to deposit them with fictitious firms and foreign banks which would pay them an interest rate, the ads suggested, which amounted to 18 percent. This high return, which was advertised by one firm, is twice the return which was set for investments made inside the country by purchasing bonds and paying for them in dollars. That return is approximately one percent higher than that earned by investments made in

London's stock market. Where will this fictitious firm get the money to pay this high rate of return? This matter is very suspicious.

In a discussion with the governor of the Central Bank Prime Minister Dr. 'Atif Sidqi said, "We managed to protect 70 percent of all the funds deposited by investors in all the firms whose situations have been resolved, as well as in those which have not yet been resolved because they were operating in the country. How then can we intercede with companies, firms, and banks which are operating abroad and which are not subject to any of our authorities or our laws? This operation is almost a conspiracy in multiple stages against Egyptians' deposits and against the country's economy in general."

Dr. Salah Hamid, governor of Egypt's Central Bank, told me, "I warned Egyptians by placing ads at the bank's expense because we are concerned about the safety of their deposits from fictitious firms and companies. After giving them these warnings, let me tell all Egyptians, 'You are responsible for yourselves if your savings are lost because we have no authority over companies, firms, or banks operating outside the country.'

"Let me also tell Egyptians who have savings, 'How can you use your savings to support the economies of foreign countries and deny that support to your own country? How can you deny such support to your own national economy and to the welfare of your children and your fellow Egyptians who live in the country?'"

"Let me tell Egyptians who establish banks abroad, 'Is it permissible to invest Egyptians' funds in foreign countries and impermissible to invest those funds in Egypt? Isn't the opposite of that the patriotic, religious, and appropriate thing to do?'"

Dr. Hamid al-Sayih, former minister of the economy and chairman of the board of directors of the Hong Kong Bank, says, "In all sincerity I ask every Egyptian what he prefers: a high return for fraudulent operations or a reasonable return for the safe and guaranteed investments which are provided in the country by our banks?"

"The second question I would ask, and I hope every Egyptian will consider this matter, is this: What would happen if a man whose savings were being held by foreign companies and banks were to die? How can his heirs retrieve those savings from abroad if we were to rule out for a while the abundance of fraudulent operations and impostors who use the most sacred terms and phrases to get what they want?"

"Let me ask a third question and address it to those who establish banks or companies abroad. Aren't investments in Egypt good enough for you, or is this a tax evasion attempt to deny poor people and people living on fixed incomes the benefits which they are entitled to receive from the state?"

### Let the Buyer Beware!

Mahmud 'Abdallah, chairman of the board of directors of Cairo Bank, says, "Let me tell Egyptians that if a bank offers them a higher return than the average interest rate in the world, they should know that such a bank is at risk and is going through a crisis. I would advise them to stay away from such a bank immediately because their money would be in danger in such a bank."

"Let me ask this question: Have bank deposits ever been infringed upon under any administration in Egypt's history? Has one single bank ever been bankrupt or declined payment on demand on individuals' deposits? This has never happened here because the Central Bank, the legal father of banks, guarantees every piaster or dollar which individuals deposit. Why then do we flee with our savings unless this money has been illegally or improperly acquired by him who claims ownership of this money?"

Dr. Kamal Abu-al-'Id, chairman of the board of directors of the Industrial Development Bank, says, "I do not wish to discuss this matter from the national question angle because Egypt and our brothers and our children in Egypt are more entitled to those investments. Investing in Egypt would support Egypt's economy and improve living conditions for Egyptians. I just want to tell those who have savings that what happened in investment companies should be enough for them. Let me warn Egyptians against ads which advertise a high return on investments, not only because there are fraudulent operations, but also because the investments advertised in these ads are risky and the investments themselves would not be secured or guaranteed."

Dr. Samir Tubar, dean of the College of Business at al-Zaqaziq University and chairman of the National Party's Economic Committee, says, "The Central Bank did well today when it warned repeatedly in newspapers against investments that are made abroad. The Central Bank did well to protect people's savings and to keep them from coming once again to the government crying and screaming. People have to assume responsibility for what they do."

"It is said that 'He who has been warned has no excuse.' And I say, why do we put our funds abroad when investment opportunities in all areas are open in our country and numerous advantageous savings instruments are readily available to all those who have savings? Why do people take risks with fictitious firms or risk-laden banks abroad?"

Now then, let us say that we should learn our lesson from the experience of investment companies and keep our savings where they will be safe and guaranteed. Investing our Egyptian funds abroad when our country is trying to attract foreign investments makes no sense. It would be more fitting for our funds to be invested in our country rather than with foreigners, particularly since foreign loans have almost been frozen in the wake of the new international changes which have taken place.

### Editorial Advocates Creation of MB Party

90AA0079A Cairo AL-SHA'B in Arabic 17 Apr 90 p 5

[Article by Mustafa Mashhur: "The Muslim Brotherhood and the Political Party"]

[Text] Every political party adopts a principle or program it prefers as a system for governing, and every party tries to gain victory by propagandizing for its principle. Amid the struggle of principles free elections are held, and the government comes from the party winning the majority of the votes, or a coalition government from more than one party representing together the majority. In this way stability is achieved to a great degree. But if a minority imposes itself through force or falsification and rules the majority against its will there will be no stability or prosperity.

When the peoples of Europe were subjected to intense misery by the men of the church, they eventually cut off the church and its men from the state and its affairs, and the principle of secularism appeared. When our Islamic regions were occupied by the armies of the enemies from Europe, they applied this philosophy to us, eliminated the Islamic *shari'ah* [Islamic law] from government, and replaced it with conventional manmade laws. Unfortunately, our successive governments continued to espouse this philosophy in spite of the withdrawal of the foreign armies, and limited the *shari'ah* to vital statistics in the religious courts. Then 'Abd-al-Nasir took over and abolished the religious courts and developed al-Azhar or destroyed it. And the policy of destruction still continues. Even the personal statute was subjected in the era of Sadat to distortion and change.

Everyone knows that the Islamic religion is not limited to faith and worship and morality only, but is a complete program for life and a just law. Muslims and non-Muslims were happy under its application for many long centuries.

The legislative aspect in Islam cannot be separated from the rest of its basic elements. In fact, anyone who believes in this separation or believes that there is no religion in politics and no politics in religion is not a true Muslim! Whoever denies the obligation to apply the Islamic *shari'ah* is like someone who denies the hypothesis of prayer or fasting or alms-giving. We all know the position of Abu-Bakr toward those who disavow alms-giving. God said: "Judge thou between them by what God hath revealed, and follow not their vain desires, but beware of them lest they beguile thee from any of that (teaching) which God hath sent down to thee. Do they seek after a judgement of (the days of) ignorance? But who, for a people whose faith is assured, can give better judgement than God?" [Koran: Surah 5, Verses 49 and 50]

On the basis of the foregoing, it became an obligation for every Muslim to demand insistently that the Islamic *shari'ah* must be applied because its application is a religious duty, and from another standpoint there is no

salvation and no cure for our crises and problems except through applying it. In fact, the wretched life from which we suffer is a definite result of our remoteness from God's law, in confirmation of God's word: "But if, as is sure, there comes to you guidance from me, whosoever follows my guidance will not lose his way, nor fall into misery. But whosoever turns away from my message, verily for him is a life narrowed down, and we shall raise him up blind on the Day of Judgement." [Koran: Surah 20, Verses 123 and 124]

It is the duty of every Muslim to reject the conventional laws and demand insistently on the application of the Islamic *shari'ah*. If he does not do that, he is a sinner and is accountable before God.

This is what the Muslim Brotherhood [MB] calls for and why the Muslim Brotherhood group began. They are responding to God's command that the authority must be according to what God handed down. This is not their duty alone, but it is the duty of all Muslims, rulers and ruled, and this is the response of the Muslim people of Egypt which the Brotherhood sought during the election campaign when the Islamic Alliance raised the slogan "Islam Is The Solution".

Then, the constitution of the state stipulates that Islam is the official religion of the state and that the Islamic *shari'ah* is the principal source for legislation.

The Muslim Brotherhood, in their ideology, do not represent a segment of the people but they represent the real will of the Muslim people who make up the great majority of the citizens. They are not like the political parties in their concentration on the political aspect, but they are an invitation and represent the general spirit of the people. They obey God's command which must be carried out, especially since they do not call for anything besides Islam without diminution or distortion, and they will not swerve from that one iota, God willing.

Perhaps it would be well here to mention a statement by the Imam Hasan al-Banna, the founder of the group, in which he explains the true nature of the Muslim Brotherhood. In the dissertation "Between Yesterday and Today," he says under the heading "Advice":

"Brothers. You are not a charitable organization nor a political party nor a local group with limited objectives. You are a new spirit flowing in the heart of this nation, enlivened by the Koran, and a new light shining, dispersing the darkness of materialism through the knowledge of God. You are a thundering voice repeatedly ringing out the appeal of the Prophet. It is entirely right that you should feel that you are bearing this burden after the people laid it down.

"If it is said to you 'What are you calling for?', say 'We invoke the name which Muhammad set forth, and the authority is part of it and freedom is a divine precept'. If it is said to you 'This is politics', say 'This is Islam, and we do not recognize this division'. And if it is said to you

'You call for revolution' say 'We call for a right and peace we believe in and exult in.'"

Then he said: " Brothers. Believe in God and exult in the knowledge of Him, faith in Him, and reliance on Him. Fear and dread only Him. Carry out His ordinances and avoid what He proscribes. Be shaped by virtues. Cling to perfection. Be strong in your character. Be powerful in the strength of the faithful and the nobility of the pious that God has given you."

This is the true nature of the Muslim Brotherhood as the founder of the group affirmed it. It did its job to deliver its message in the bygone era, the era of freedom. It had its propaganda and pedagogic and social and educational and medical and economic and athletic and informational activities, and members of it exercised their right to stand as candidates for the Chamber of Deputies, among them Professor al-Banna himself. Had not the English occupier intervened, he would have won in the election, for all the people—Muslims and Christians—were supporting him.

After the July revolution and the appearance of the desire for singular possession of authority, and responding to the desire of the enemies to smite the Brotherhood, a decree was issued dissolving the Brotherhood group. Then circumstances forced them to permit the university to resume its activities, but there was the plotting of the drama in al-Manshiyah Square [attempted assassination of Jamal 'Abd-al-Nasir in Alexandria] and the arrests, brutal torture, killing, executions, and sentences to long periods of hard labor and prison for a great number which followed. The oppression and mistreatment were renewed again in 1965, and this time the guidance was from the east and not from the west. The aim was to put a total end to the group so that it would not have any slate, but they were cunning and God is cunning and God chose the cunning ones, and the Brotherhood emerged from the prisons and the internment camps in the era of President Sadat and practiced some activity in spite of their not being recognized legally. Laws were issued, prepared especially for the Brotherhood to limit their activity, such as the Press Law and the Parties Law, and they have continued up to now. After the assassination of Sadat they were augmented by the Emergency Law and the Election Law with the slate limited to the legally recognized parties only. In spite of that, the Brotherhood participated in the 1984 elections through the Wafd Party and in the 1987 elections through the Labor Party.

When the Brotherhood think about forming a political party, the impetus for that is overcoming the obstacles placed to prevent them from exercising their political rights. There is nothing strange or abnormal about that, and that does not mean creating a climate for sectarian sedition, as the regime justifies the reasons for its preventing the setting up of a party for the Brotherhood while the opposite is the truth, and that is that preventing general Islamic activity prepares a climate for undisciplined underground activities. Then we find

Christian political parties in some countries of Europe. In fact, an Islamic party appeared in England recently. There is no blemish in the history of the Brotherhood with Egypt's Copts from the time of the martyred Imam until now. On the contrary, I myself have heard from Pope Shanudah praise for Professor 'Umar al-Tilmisani and the relationship with the Brotherhood in general.

The Brotherhood appealed to the courts for the nullification of the dissolution decree and the necessity of their return, but unfortunately this case has been delayed for more than ten years.

The Muslim Brotherhood do not have a personal cause or local ambitions. Their cause is Islam and nothing but Islam and it is the cause of the Muslim people of Egypt. It is neither wise nor good to oppose the people in their belief through the nonapplication of the *shari'ah* and these intense violations of religion represented in the production of wine and the authorization of it, the wealthy clubs, usury, and the wickedness, dissolution, and debauchery in the media, especially television, which distorted the image of the month of Ramadhan and made of it a season for male and female artists to make a profit by their base presentations which are inconsistent with the goals of this honorable month—spiritual exaltedness and total abstinence from everything that angers God.

It is not thus that conditions stabilize and God ceases to be angry with us: the adherents of corruption have complete freedom to spread their corruption and the adherents of right are constrained and prevented from calling for this right.

## ISRAEL

### Terrorist Infiltration Through Canada Camp Viewed

90AE0021B Tel Aviv HA'IR  
in Hebrew 13 Apr 90 p 18-19

[Article by Nadav Ha'etzni]

[Text] The Israeli-Egyptian border is heating up. Some 8 years after the creation of the new border, a new-old relationship, a border reality, is crystallizing along it. That border that was supposed to be more a symbol of peace than anything else is looking more and more like other frontiers: A military road, smoothed sand lanes, army posts, soldiers on alert. While all eyes are turned to the Lebanese border, dangerous as ever, and to the border with Jordan that is constantly in the headlines, something foul is brewing in the Sinai desert.

One place that best illustrates the changes on the border is the site known as Border Stone One. Here, on a dune lapped by the Mediterranean Sea not far from Rafiah, a thousand dreams have been woven together. Some years ago, when Gen. Moshe Bar-Kokhba (Bril) completed his assignment as Chief of Southern Command, a surprise

was prepared for him. At the very moment when the military fence opened a path 20 meters from the shore, a tourist stop was inaugurated which, in his honor, was called The General's Lookout. The Jewish National Fund built an impressive tower with a fine observation deck. The Agency dotted the spot with camping tables for the many hikers who were expected to arrive. The military road was supposed to serve the hikers. The long, spectacular route from the Mediterranean Sea to the Red Sea and Eilat promised an enjoyable ride. It began on the shore of the enchanted, virginal sea at the foot of The General's Lookout. One could hardly find a more symbolic point for the opening of a new era along the southern border.

But things did not work out this way. The General's Lookout has been manned for some years by a small guard force of reserve soldiers. Less than a month ago, they received an order to prohibit civilians from ascending the tower without permission from the appropriate command post. The camping tables have long since been dismantled. It has been a long time since one could go to the shore. During the past year, some kilometers of the shore have been shut off by a double line of fences. The shore itself has become a smoothed sand zone and a route for patrols and command cars.

The vision of travel along the border to Eilat has been shattered. At least on certain portions of the road, the IDF [Israel Defense Forces] has long prohibited civilian crossings. In place of tourists, motorized patrols traverse the road with increasing frequency. Fears of shooting from the other side or of an infiltration attempt have become routine. The IDF has changed its attitude toward the southern axis.

On their side, too, the Egyptians have begun to look to the border with fear. They have less fear of infiltration attempts but last year still erected orange flood lights along a stretch several kilometers long of the military fence. They have established a patrol lane on which infantry make rounds at all hours of the day. The Egyptians recently have begun to fence off additional sections of the border.

The two sides here worry about terrorist strikes and smuggling, not about war breaking out. Most of the steps the Egyptians have taken, such as fencing the border, are designed to spare embarrassment to those who pull the strings in Cairo. Only recently have they come to the conclusion there that the accelerating activities of the terrorist organizations threaten to entangle the Egyptians, too. It seems, however, that the Egyptians have learned the lesson too late. The situation along the border is growing complicated.

The intifadah to a large degree marks the end of the dream of a peaceful border. During the past two years, there have been no fewer than five fatal terrorist incidents on both sides of the border. The last of these was the attack on the bus to Cairo at the beginning of February. In December, five terrorists, armed with

Kalatchnikov rifles, eight pistols, and 51 hand grenades, penetrated the Israeli side. They intended to enter one of the settlements in the western Negev to mark the end of the second year of the intifadah. All five were killed. In March a year ago, two terrorists made their way to the outskirts of Rafiah, where they hurled a grenade towards an IDF position. They were captured. In December, 1988, three terrorists were killed near Nahal Faran.

The most worrisome incident of all occurred in March, 1988. Three terrorists slipped across the border near Har Horsha, traveled to Mitzpe Ramon, took control of a military car, and continued towards Be'er Sheva, where they hijacked a bus carrying women to the nuclear plant at Dimona. That attack claimed the lives of three passengers.

Along with these incidents have occurred dozens of less serious ones, most of which never get reported in the press. In September, for example, a manhunt pursued a terrorist who had managed to penetrate 40 km into Israel. The search, which employed trackers and helicopters, went on for 17 hours.

In addition to the terrorist infiltrations, the border is continuously crossed by smugglers, criminals of one sort or another or simply border thieves, among them intifadah activists seeking refuge. The IDF has discovered underground tunnels beneath the border fence, one of them south of Rafiah. That one was found by accident when its protruding air vent was identified.

Rafiah is a special border problem. The city is cut in half, as a result of which the border separates houses just 5 km apart. Ropes are strung between the houses, apparently as a form of sport, but also for introducing explosives and drugs.

The border markings are also particularly problematic. The border extends from the Mediterranean Sea, west of the city of Rafiah, along the dunes in the region of Niztne, through the desolate wastes of Har Harif and the southern Negev, and on to the mountains of Eilat. The fenced part runs only from the line of the sea to the dunes about 25 km south-east from there. The rest of the border continues for endless kilometers out of sight and unfenced. Most of the area is unsuitable for crossing, but most of the infiltration attempts have been made nonetheless in the inaccessible area of Har Harif.

A problem was not thought to exist until 2 years ago. Then the series of incidents, coupled with news of events in Egypt, spurred the IDF to a more serious approach. A senior government official, an expert on the subject, says, "In the past, both we and the Egyptians thought defining the border as a peaceful one in itself was enough. No one thought in terms of hostile terrorist activity. There was an assumption that Egypt was like Syria, and that if the authorities had no interest in border penetrations, there would not be any. But it has become clear that this is not so."

The change in thinking has led to a dramatic increase in activity. Aside from the erection of the fences, routine patrols will be bolstered significantly, and the practice of smoothing out lanes of sand has been restored after more than 20 years. Beyond that, warning systems that scan the zone day and night have been installed. It was also decided that the presence of trackers attached to army forces was insufficient and that it was necessary to establish a unit of Beduin scouts as a sort of reconnaissance unit made up of minorities.

Paradoxically, the bus attack made an especially heavy impression although it took place far from the border. All signs point to a new security and diplomatic outlook among Cairo's leaders revealing less tolerance for the Palestinian organizations. For years, the Egyptians permitted the PLO organizations to operate so freely that Egypt became a nearly optimal hothouse for anti-Israeli activities. Fatah's offices and those of the Democratic Front operated unfettered in Cairo with more than a little encouragement from the authorities. The Egyptians strove to offer the PLO as much aid as possible without entangling themselves. One of the sensitive points in the constellation of relations was their refusal to return those sought in the intifadah who had managed to cross the border. Throughout those years, Israel presented Egypt long lists of suspects. Egypt, unlike a friendly country, did not agree. On the contrary, knowledgeable military officials contend that the Egyptians allowed the three murderers of Abie Sa'adon, an IDF soldier, to escape through Egypt to Libya. The three crossed the border from Israel in the area of Pishpash Rafiah. Defense officials quickly realized that the three were seized by the Egyptians as soon as they crossed on suspicion of smuggling. When their true identities were learned, the Egyptians allowed the three to continue to Libya, thereby saving Cairo from a major imbroglio.

One of the most troublesome spots on the border is the Canada camp. The camp's story made the headlines following the agreement signed in September for transferring residents of the camp to Israel, and at the beginning of December, when the first residents began to build their homes anew on the Israeli side. Residents of the Qatif strip attempted to undermine the infrastructure that Israel had constructed with its own money, in the amount of \$2.2 million, for settling the camp residents. Israel had built a new neighborhood in the past for some 450 families as part of its attempts to resettle refugees from Gaza. With the signing of the Camp David Accords, it became clear that the border would leave the residents of the camp inside Egypt. The Egyptians demanded that they be uprooted again and transferred to Israeli territory. Israel agreed in principle to the transfer if it were financed by the Egyptians.

The terrorist organizations took aim at the Canada camp for their activities and agitation as early as the evacuation from Sinai in 1982. The expected transfer of the residents from Egypt and its proximity to the border promised a golden opportunity to infiltrate a sizeable number of well-trained men into Israel. It is now clear that many of the men in the

camp were trained in Fatah camps in Yemen. The Egyptians then permitted establishment of broad-based terrorist networks in the camp. The crowning achievement for these terrorists was, eventually, penetration of Israel. The five terrorists killed in December were organized in the Canada Camp; of the three who hijacked the Dimona bus, at least one was a resident of the camp; and two of those who threw a grenade at the IDF post in Rafiah were residents of the camp. Those two have said that they were promised \$20,000 by Islamic Jihad. The men who carried out the fatal bus attack 2 months ago also came from the Canada Camp.

About 480 families, totaling 5,600 people, live today in the Canada camp. The obvious danger of a mass of trained and organized terrorists worries the IDF. The Israeli administration takes no pleasure at the thought of the danger it foresees upon completion of the the transfer of the residents into Israeli territory. Israeli authorities are seeing to it that they are up to date on everything that goes on in the camp, and some are already willing to compare the potential perils lurking in the integration of the residents into Israeli territory with the murderous potential of those set free in the Jibril deal.

The Canada camp situation is spreading from a security problem into a political nightmare. For years, Israel sought to evade dealing with the problem of the Canada camp. Until the intifadah broke out, the Egyptians did not exert any pressure. The transfer cost them the not insignificant sum of about \$8,000 for each family. In March, 1988, when the full extent of the intifadah became clear, the Egyptians decisively came to the conclusion that they did not want the 480 families making trouble like that in their country. In discussions with Israeli representatives on this subject, the Egyptians made no pretense of the reason for their demands. Since March, 1988, the problem of the Canada camp has become a difficult diplomatic problem which, like the issue of Taba, has served the Egyptians as a justification for the cold state of affairs between the two countries.

The Canada issue is primarily the subject of the joint Israeli-Egyptian military commission. In general, the Israeli representatives insist upon minutely detailed negotiations according to instructions from above. Towards September, 1989, as part of the sweeping reversal of positions he held, Defense Minister Yitzhaq Rabin decided that it was necessary to move towards the Egyptians on the issue of the Canada camp within the framework of political developments in the area. Rabin concluded the matter and only later brought it as a fait accompli to the forum of four. Prime Minister Shamir apparently was enraged at the decision afterwards but, as was usual in the national unity government, put up with it.

Although the Canada agreement has already been signed, the matter as a whole is still in its infancy. According to the agreement with the Egyptians, the residents of the camp will cross to Israeli territory in groups of 35 families at a time. Only after representatives of the families finish building their homes will they be permitted to settle in them. Official estimates are that the

whole process will take between five and eight years. Confirmation is expected soon for settlement of the first three families now finishing their homes.

The tooth-cutting aspect of the story arises also from the bitter opposition of the residents of Qatif. The site of Tel Sultan, in which the residents of the Canada camp are being settled, is located just one kilometer from the two southern settlements in the Qatif strip. The local regional council had plans to develop an industrial zone on the site.

Tzvi Handel, head of the Qatif bloc regional council, says, "It is my understanding that Eliyakim Rubinstein, when he served as legal advisor for the foreign ministry, formed the opinion that we have no legal obligations under the Camp David Accords towards the Canada camp, although he has noted that we must honor the accords because of their political significance. The Egyptians do not respect even the first of their agreements to carry out their end of the bargain in transferring the residents of Sinai to our territory. It is clear to everyone that a major security threat exists in the introduction of so many trained terrorists into land under our control. I have asked the military why it is permitting entry of people known to be terrorists. The answer was that we have informed the people of the Canada camp that not one of them will enjoy a grant of immunity once they have entered. To me, that is no answer."

In reply, defense and government officials contend that the agreement with Egypt placed obligations upon Israel from which there is no turning back. They confirm that "the population in the Canada camp is rife with terrorist activity. Although this danger will be taken into account, it cannot be compared to the grave dimensions of the Jibril deal." Moreover, they argue, "you must place the Canada agreement in the context of all our relations with Egypt. Our relations with the Egyptian Army, for example, have improved beyond recognition. The Egyptians have even drawn closer to us on other issues. They have allowed searches for missing persons in their territory, paid debts we tried to collect, instituted improved conditions for border crossings and so on. It is important to understand the importance of honoring the Canada agreement for the general range of our relations with them." Regarding the opposition in the Qatif strip, the government officials say, "this is not a nuts and bolts dispute. It derives from the opposition in principle to the very fact of the camp residents' presence in the region."

The IDF spokesman refused to comment or to cooperate at the time this article was written. Army officials have preferred not to get involved because of the sensitivity of the issue.

#### **Landau on U.S. Policy, Negotiations**

90AE0021A Tel Aviv HAYARDEN  
in Hebrew 2 Apr 90 p 2

[Commentary by Knesset Member 'Uzi Landau]

[Text] On 12 December 1949, James McDonald, America's ambassador to the fledgling state of Israel, sent

David Ben-Gurion a note warning against declaring Jerusalem as the nation's capital, because "rash acts regarding the subject of Jerusalem are liable to fan the flames." In reply, Ben-Gurion announced the next day that the Knesset and government would be transferred to Jerusalem and proclaimed that "Jerusalem was and will be the capital of Israel." (MA'ARIV, 12/13/49).

Forty years have passed and again we are being warned against rash acts in Jerusalem. Secretary of State James Baker has warned against settling Russian immigrants in Judaea and Samaria. President Bush has added that the United States regards the neighborhoods of East Jerusalem as "occupied territory," and opposed settlement of Jews in them. State Department spokeswoman Mrs. Tutwiler, replying to a reporter's question, removed any question marks around the President's remarks. The conclusion to be drawn from her comments is that not only are many neighborhoods, such as Ramot and Gila, not within Jerusalem's jurisdiction, but that the Western Wall is deemed "occupied territory" by the U.S. Government.

Bush's follow-up remarks, that he "supports the right of Jews to live in all parts of Jerusalem," though designed to placate us, are even more worrisome for the very reason that they were meant to put us at ease. After all, Jews have a right to live in every borough of New York, too. The dispute is not over the right to live but the right to sovereignty in the city. The President's murky language, meant as an assurance, actually sharpens the fear that the Bush administration has decided to view pushing Israel out of Jerusalem as an operative goal of his foreign policy.

It may be that the harsh pronouncements emanating from Baker and Bush reveal some of the secret promises Washington gave the PLO to entice it to the conference in Cairo. They hint that the U.S. administration has resolutely decided both to support the PLO and to drive us from Judaea, Samaria, and Gaza, so that a Palestinian state may be founded there. Further, Baker's statements make clear that no moral restraints will prevent the administration from exploiting the plight of the Russian Jews seeking to save themselves as an instrument of blackmail for prying Israel out of the territories.

Two things, more than anything else, symbolize the war we fought for an independent Jewish state: immigration and Jerusalem. When the British sought to destroy Zionism, they locked the gates of the country against immigration. When the Arabs sought to forestall establishment of the state, they concentrated their forces in a siege of Jerusalem. We responded to the British challenge with "illegal" immigration, while the fate of the war of independence was determined, militarily and symbolically, when the siege was lifted and the city was liberated.

The war to found the state ended in 1949. Our war for the right of the Jewish nation to its homeland, however, still goes on. Now as before, immigration and Jerusalem



are entwined in the war against us. They turn the Soviet Jews into hostages, warn against settling them in Jerusalem, and prepare to place the city under a political siege.

The battle for immigration and Jerusalem continues. Baker and Bush will interpret our irresolute reaction as weakness, and the pressure will grow. What is required now is a clear, immediate response, action instead of talk about a united public. The government needs to answer the American challenge with a program of "settlement now" of thousands of immigrants, especially in the old city of Jerusalem and its "occupied" neighborhoods.

Knesset member Michael Bar-Zohar, author of a biography of Ben-Gurion, tells this story. When the United Nations decided to make Jerusalem an international city, Abba Eban, our UN representative, telephoned Ben-Gurion in panic. "A decisive majority voted against us," Eban reported. "And how many votes did we receive?" pressed the prime minister. "One, our own," Eban replied. "Good, that is the vote that counts!" Ben-Gurion decreed.

I am not one of Ben-Gurion's disciples, but, on the issue of Jerusalem, he left us a worthy example to emulate.

### Peres' Work at Treasury Praised

[Article by 'Ofer Ari'an]

44230124F Tel Aviv DAVAR in Hebrew 20 Mar 90 p 7

[Text] Some 16 months ago, when Shim'on Peres arrived at the Treasury, he inherited an economy plagued by urgent problems that had been neglected. Entire sectors were on the brink of collapse, industrialists could not continue to export, and the danger of renewed inflation was lurking close at hand.

Peres went to work with great energy. In his first year in office he carried out two devaluations (and a third at this time), which improved the situation of exporters. Agreements were signed with the kibbutzim, moshavim, Koor, and the Sick Fund. An agreement was signed with the Histadrut on the cost-of-living increment, interest rates came down, and a series of steps were initiated to enhance the profitability of production and export.

At the end of last week Peres left the Finance Ministry. This dowry will in all probability be placed in the hands of the man Peres replaced, Moshe Nisim. If Nisim wants to do a good job, he will have to deal with several problems to which no solution has been found so far. He will have to resolve the problem of Koor, deal with the sale of the banks, handle the issue of Israeli Chemicals public shares, ensure the implementation of the tax reform, and find budget resources to finance the decision to cancel the education bonds and to raise income brackets. And most importantly, he will have to submit next year's budget to the Knesset.

Judging by what we know about Nisim, it is not to be expected that even a few of the above important issues will be dealt with. It is reasonable to assume that as long as the caretaker government remains in place, no real decisions will be made at the Treasury. And if the process of forming the next government is protracted, at the 12th hour the Knesset will be required to approve an "intermediate financing" budget. Aside from the ultra-orthodox, all other Israelis will have to be patient.

During Peres' term as finance minister, the media spent a lot of time criticizing his decisions. Peres the visionary did not have the patience to wait and test the steps he decreed. He wanted visible changes immediately. During his first days at the ministry, he promised that 1989 will see single-digit inflation rates. Even when it became clear to all those concerned that that was mere wishful thinking, Peres continued to stand behind his claim. Toward the end of the year he suggested another interpretation, according to which his intention had been that by the end of the year we will witness a single-digit increase in the monthly index. In 1989 Israel's rate of inflation was over 20 percent.

In many cases Peres hastened to supply unfounded economic interpretation to the results published. For example, he said more than once that such a high increase in the index was due to the rise of some specific item, and that if we ignored that one item, we could see the "real" situation of the economy and the "real" rates of inflation. In one case, he rushed to boast that the devaluation carried out was yielding fruit, as the Central Office of Statistics was showing improved exports. He had "forgotten," however, that the data was referring to the period preceding the devaluation.

As we said, Peres was criticized for his statements, but clearly his actions speak for themselves. It had been a long time since the Treasury had such a decisive minister, completely dedicated to the problems of the economy, like Peres. He did not recoil from making courageous and fast decisions, and in one year he laid the foundation for real changes in the patterns of Israeli economic thinking and activities. We hope that his next governmental position will allow him to preserve those achievements.

### Absence of Minister Allegedly Affects IDF

44230124B Tel Aviv HA'ARETZ  
in Hebrew 25 Mar 90 p B1

[Article by Re'uven Padhatzor]

[Text] The Defense Ministry and the IDF [Israel Defense Forces] have already had one unsuccessful experience with a part-time defense minister—Menahem Begin—who held that position for a few months after 'Ezer Weizmann's resignation. During those months in 1980, the deputy minister was running the ministry, and the management of the system was left in his hands. Today, at the beginning of the caretaker government, there is not even a deputy minister of defense.

It seems that the most important process that can be expected in the defense system will highlight even more markedly the increased influence of the Army in policy-making. The IDF is already the almost exclusive supplier of the intelligence, data, and estimates that serve as the basis for decisionmaking; in the majority of cases it is the actual author of national defense policy. The defense minister, who is responsible for the Army and is the only minister familiar with the secrets of the defense system, was more than once the last resort capable of dealing, up to a point, with the IDF's plans and of correcting what needed correcting.

In the absence of a professional minister at the Defense Ministry office in Tel Aviv, no one else in the government will be able to examine and supervise the policy lines established by the general staff.

It is doubtful whether the chief of staff is entirely happy with the expanded freedom of movement that will be his in the coming months, until the arrival of a new defense minister. Until now it was Yitzhaq Rabin who shaped the policy governing the IDF's actions in the territories. Rabin was involved in every activity down to the smallest detail. Every week he met in his office with the "territories forum," when he decided on and amended military deployment against the uprising in the territories. It is to be assumed that Defense Minister Shamir will not convene such a weekly forum, and that the task of deciding the policy in the territories will be laid on the shoulders of Chief of Staff Dan Shomron. The dynamics of the intifadah will not allow merely general guidelines from Shamir, and the IDF superior command will have to decide by itself its lines of operation, whose implementation will also have an impact on strategic aspects of the government's policies in the territories.

Rabin's departure came at a difficult time for the defense system. The relations between the top leadership of the Defense Ministry and that of the Army have recently been problematic. A dangerous fermentation has lately been brewing below the surface, whose visible expressions are suspicion and accusations exchanged between the ministry's director general, David 'Ivri, and Dan Shomron. It would seem that there is room for fear that this conflict will exacerbate during the period of the caretaker government. The differences of opinion between the chief of staff and his senior aides, and 'Ivri and his senior staff may damage the capability to crystallize an acceptable policy. Such a policy is needed precisely now, when the IDF's multiyear work plan is being reviewed and vital decisions are required to determine the IDF's image in the coming decade.

From past experience it can be estimated that the IDF may take advantage of this transitional period to adopt controversial decisions, with the approval of the provisional minister, who is not as familiar with the fine nuances of the workings of the defense system.

That is what happened when Begin manned the Defense Ministry. The Air Force managed to take advantage of

Weizmann's resignation—who was against its operational approach—and pass a decision to shift from the small Lavi to the big Lavi. Begin, who was not an expert in professional and operational matters, ruled that "it was to be taken for granted that the Air Force commander knew what the corps needed," and approved the installation of the large engine on the Lavi; in so doing he in fact pronounced the death sentence on the project. The commander of the Air Force at the time was David 'Ivri, who, as current director general of the Defense Ministry, is now expected to stand up, without the support of the resigning minister, to the Army's attempts to pass projects that he is opposed to.

It is possible that a similar process will occur in connection with the Navy's submarines project. The IDF leadership is opposed to continued investment in that project. The fight against the submarines is led by the deputy chief of staff, Ehud Barak, who believes that it is vitally important to shift resources from the sea to the ground forces, where a war would be decided, according to him. So far, Rabin's hesitation has held off the cancellation of the submarines project. He was not willing to comply with the requests of the chief of staff and his deputy, and chose to postpone the final decision.

A final decision on the submarines project must be made soon. In the meantime, the project may be cancelled without having to pay heavy fines to the foreign manufacturers. Later, the cancellation cost will be very high. If the general staff decides to bring up the matter for decision in the near future, it is difficult to expect that Defense Minister Shamir will be able to challenge the position that the chief of staff will put before him.

The submarines project is only one example. As long as the Knesset has not approved the state budget, the defense budget remains open, too. The IDF's multiyear work plan, which requires the final approval of the defense minister, has still not been presented in its entirety to the government ministers. It is doubtful whether Defense Minister Shamir will be able to rule on its professional aspects. The period of the caretaker government may also be a period of appointments-grabbing at the general staff. While Rabin asked the chief of staff to postpone new appointments of generals for another few months, the prime minister's stand on this matter is not clear. Shamir's decision to appoint a deputy minister will not suffice to solve the problem. Such a deputy minister, who will be parachuted inside the Defense Ministry, will have to deal with a system with which he is not familiar. Most probably some time will pass until he begins to have an impact on the decision-making process of the Defense Ministry.

#### **Ultraorthodox Parties, Leaders Examined**

44230123A Tel Aviv YEDI'OT AHARONOT  
(Supplement) in Hebrew 21 Mar 90 pp 17, 18

[Text] Take the lack of communication between religious persons and secular persons, add to it what is going on in the ultraorthodox community—a multifaceted and

dynamic public, which is changing at an astounding rate, add a pinch of ignorance on the part of the secular public, and you will have a sure-fire recipe for confusion.

In recent days, senior politicians in the Knesset have been prostrating themselves before ultraorthodox lobbyists, in the belief that they have in their pockets the magic keys to the power centers of the ultraorthodox community.

But, in contrast to what Mr. Israeli thinks, not every man with a beard and dressed in black is a rabbi. And not every person with the title of rabbi is a great Torah scholar. And, what adds to the confusion, is the fact that some of those with the greatest authority in the ultraorthodox public keep their distance from politics, and are not known at all to the public.

So, who's who in the ultraorthodox public?

The ultraorthodox public, by an inclusive and simplistic definition, is given to say that the ultraorthodox Jew puts foremost the Torah and its commandments. The Torah is for him a way of life and an ideal. The "religious-national" stream, in contrast, puts the Zionist ideology on an equal footing, and sometimes even ahead of the Torah (for example, the NRP [National Religious Party], MIMAD [Religious Center Party], Gush Emunim, Merkaz Harav).

As the ultraorthodox public does not participate in the population census, and part of it does not participate in elections, it cannot be known with certainty how many of the residents of the State of Israel belong to it. Figures are tossed out. Between 200,000 and half a million, including children—everything only an estimate.

The ultraorthodox public may be divided politically. The following are the major groups: **The ultraorthodox community.** Descendants of the "Old Yishuv," who do not participate in the present political game. Estimated at approximately 7,000 households, most of them in Jerusalem, with a few in Bney Braq. Established after the First World War by rabbis of Jerusalem, who regarded the establishment of the Chief Rabbinate at that time as a great danger. The secular circles, they said, would influence the rabbinate.

The members of the ultraorthodox community oppose the secular state, but see it as a divine edict. They chose to be completely cut off from it, including the renouncing of a flow of public monies to their institutions and to their private pocket—they do not receive National Insurance, for example. The forum that leads them is the BADATZ, or, spelled out in full, the Religious Court, which functions as a court regarding divorce, marriage, and property. The BADATZ has a special Kashrut department, the largest among the splendid Kashrut systems, which holds great economic power. This department is the only one that is acceptable to all the ultraorthodox circles.

**Agudat Yisra'el.** The oldest of the ultraorthodox parties. Founded more than 70 years ago in Katowicz, in a match that today seems almost impossible, between the great Torah scholars of Poland, Russia, Lithuania, and Germany.

Since the first elections, Agudat Yisra'el's direction has been Hassidic. Its hard core is composed of two great courts: Gur and Wishnitz, alongside of which there are many small and medium-sized Hassidic courts. In the last elections, HABAD [Wisdom, Understanding, Knowledge] Hassidism, which today is considered to be the largest Hassidic group, also entered Agudat Yisra'el for the first time with intensive activity. This is the only Hassidic court that is also admired by many Sephardis. HABAD got burned by the political involvement, and lost much of its prestige. The HABAD spokesman yesterday hurried to announce that "HABAD is not involved in politics, and has no connection with the government crisis." They are trying a bit late in HABAD to return to their traditional fence-sitting.

**Council of the Great Torah Scholars.** The spiritual institution that stands at the top of Agudat Yisra'el. Its origins are in the cradle of Agudat Yisra'el. It is specified in the original statutes of the movement that the Council of the Great Torah Scholars stands above all the elected institutions, and that it has the sole authority to abrogate any decision of those institutions. Today it has 14 members.

At the head of the Council of the Great Torah Scholars stands the Rabbi of Wishnitz, Rabbi Moshe Hagar, who serves in practice as its chief due to the illness of his cochief, the Rabbi of Gur, Rabbi Simha Bunim Alter, who also does not take part in the deliberations. The court of Gur is represented on the council by his brother, Rabbi Pinhas Menahem Alter, the head of the Sfat Emet Yeshiva in Jerusalem. The rabbi's son, Rabbi Ya'aqov Alter, who is the second most powerful person in the court, acts behind the scenes.

Other members of the council are: the head of the Arloy Yeshiva, Rabbi Yohanan Sofer; the Admor [Master and Teacher] of Sedigura', Rabbi Avraham Ya'aqov Friedman; the Admor of Mudsitz, Rabbi Yisra'el Dan Taub; the Rabbi of Alexander, Rabbi Menahem Danziger; Rabbi Benjamin Zilber, a Lithuanian; and the heads of Hassidic yeshivas.

**The SHAS [Torah Observing Sephardim] Movement.** The first ultraorthodox body that broke away from Agudat Yisra'el in the elections of 1984. It was born out of the feeling of discrimination on the part of the Sephardi-ultraorthodox within the Aguda' framework.

Three main persons cultivated this segment of the population throughout the years: Rabbi Eli'ezer Menahem Shakh, the head of the Ponivitz Yeshiva, who established a network of yeshivas for them; the Lubavitcher Rebbe, Rabbi Menahem Mendel Shniurson; and Rabbi 'Ovadia Yosef, who cultivated unceasingly the special Halakhic [Rabbinic law] rulings for Sephardis. 'Ovadia Yosef, due to his tremendous Halakhic learning, became

the first Great Torah Scholar whose rulings are also taken into account in the world of the Ashkenazi yeshiva students.

Under the SHAS umbrella are crowded the Sephardis who are graduates and students of the Lithuanian yeshivas, for whom Rabbi Eli'ezer Menahem Shakh is the spiritual authority, along with and sometimes ahead of Rabbi 'Ovadia Yosef.

In this context, the breaking away from the movement this week of Rabbi Yitzhaq Peretz and Rabbi Yehezq'el Ashayq, the director-general of SHAS, is understandable. Along with them went a large portion of the "repenters," also a very strong movement today in the Sephardi-ultraorthodox public, as well as ordinary observant Sephardis. For them, Rabbi 'Ovadia Yosef is a tremendous power, but a limited one. For we are dealing with a public that was not educated at the knees of the ultraorthodox ideology, which places such a great emphasis on the role of the rabbis and the heads of yeshivas. We are also speaking of a public that leans toward Likud, a public whose blood pressure is raised by what it regards as treason to Likud.

**The Council of the Torah Wise Men.** SHAS imitated the Agudat Yisra'el tradition, and placed at its head a body of great Torah scholars called "The Council of the Torah Wise Men," comprising four rabbis: Rabbi 'Ovadia Yosef; Rabbi Shalom Cohen, the head of the Porat Yosef Yeshiva, the queen of the Sephardi yeshivas in Jerusalem; Rabbi Shabtay Aton, the head of the Rashit Hokhma Yeshiva in Jerusalem; and Rabbi Shim'on Ba'adni, the head of the Torah VeHayim Yeshiva in Bney Braq. Rabbi 'Ovadia Yosef is the dominant figure on it.

**Degel Hatora.** A party that is the product of the last elections. The political and ideological "baby" of Rabbi Eli'ezer Shakh, which gathers under its flag an interesting mixture of yeshiva students from the Lithuanian public with the Belz Hassidic court, which is one of the three leading Hassidic courts in Israel.

After splitting away from Agudat Yisra'el, Degel Hatora also established its own "Council of Great Torah Scholars," headed by Rabbi Shakh, whose power and influence in the Lithuanian public remind one of the behavior of a Hassidic Admor, and the Admor of Belz, Rabbi Yisakhar Dov Roqeah. Together with Rabbi Shakh, another three leading heads of Lithuanian yeshivas left the Aguda Council of the Great Torah Scholars: Rabbi Simha Zisel Broyda, the head of the Hebron Yeshiva; Rabbi Moshe Shmu'el Shapira, the head of the yeshiva in Be'er Ya'aqov; and Rabbi Nisim Qarlitz, the head of the Hazon Ish community. Another seven members were co-opted.

The ultraorthodox community can also be divided into Hassids, Sephardis, and Lithuanians (Mitnagdim) ["Opponents" of Hassidism] This is a breakdown according to a historical background that influences lifestyle, dress, customs, and educational institutions.

This breakdown also is not the final word, as neither many of those who are today defined as "Lithuanians" nor their parents have ever seen Lithuania. And they are precisely the descendants of Hassidic families, or of German origin, who studied in the Lithuanian yeshivas and became part of the Lithuanian world. For example, the two Degel Hatora MK's [Knesset member], Rabbi Avraham Ravitz and Rabbi Moshe Gafni, come precisely from Hassidic families.

**Influential Groups.** Who has influence in the ultraorthodox public?

We are again speaking of three groups. At the head of the most important one are the Great Torah Scholars. The ultraorthodox Jew, no matter what camp he is part of, was educated from earliest childhood to regard a rabbi, a rebbe, or the head of a yeshiva as his spiritual guide: "Even if he tells you that right is left, and left is right," as Rashi interprets in his well-known gloss of the verse "do not deviate from the thing they say to you right and left."

In the Lithuanian community, the great Torah scholars are generally the heads of the yeshivas and rabbis known for ruling on Halakha. In the Hassidic public, the Admors are in the first rank, but so are the interpreters of Halakha and the heads of yeshivas. In the Sephardi public, along with the great Torah scholars, the kabbalists also have an important position.

**The Fence-Sitters.** Alongside the great Torah scholars whose names have been in the news in recent days, you will also find a group of figures who are not involved in politics. For some, this is because they are "fence-sitters" and do not want to take a position in the split that is harming the ultraorthodox world. For others, this is because they are more or less immersed in Torah study, and they avoid politics, which they view as an inferior occupation.

These include Rabbi Shlomo Zalman Auerbach, the head of the Kol Torah Yeshiva, who is one of the trio of leading rulers on Halakha in the ultraorthodox public in Israel and in the world; Rabbi Hayim Kanievsky; the rabbis of the Greinman family; and the rabbis of the Soloveychik family, important groups in the Lithuanian world that are not involved in Degel Hatora.

The rabbis of the Soloveychik family head a line of "Brisk" yeshivas, which are regarded as the scholarly elite of the Lithuanian world. In contrast, Rabbi Hayim Elyashiv, who is today considered to be the greatest ruler on Halakha in the Torah world, does not take an active part in the political game, but serves as an advisor mainly to the Lithuanian public.

The Rabbi of Bobov, Rabbi Shlomo Halbershtam, who just recently visited Israel, also does not play the political game.

**The Lobbyists.** The lobbyists, who have been accumulating power in recent years, have influence in the ultraorthodox public; persons whose role is to serve as

mediators between the ultraorthodox public and the secular public. They establish contact with authorities, with physicians. Outstanding names: Rabbi Hayim Miller of Jerusalem; Rabbi Yesha'yahu Scheinberger, the "minister of health" of the ultraorthodox community; and MK Avraham Shapira', who also, after leaving the Knesset, continues to function as a leading lobbyist in the ultraorthodox public.

Some of the politicians function as lobbyists. It should be remembered that in the ultraorthodox public, as in the secular public, politicians are not regarded as the spiritual elite, a status that is reserved for the great Torah scholars.

### Ultra-Orthodox Community Said Growing

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(Supplement) in Hebrew 27 Mar 90 p 1

[Text] At the time the state was founded, the ultra-orthodox population counted a few tens of thousands of people. Today that community is much, much larger. Exactly how large? That is not known, because this community does not participate in the population census, for religious reasons. Estimates put it anywhere between 350,000-500,000 people.

What is striking about it is the dramatic increase in the number of children. "Ultra-orthodox families today have an average of 5.1 children, compared to 2.3 in secular families," said Avner Fuxman, an advertiser in the orthodox sector. Until the present wave of immigration from Russia, most of the new immigrants coming to Israel in recent years were orthodox people from Western countries, especially the United States. Uri Gordon, head of the Immigration Department of the Jewish Agency estimated: "There is no doubt that 30 percent of all the American immigrants to Israel are orthodox."

### Housing

When the state was founded, the orthodox community was spread throughout the country. Surprisingly, Tel Aviv had a significant orthodox population, while Bney Beraq was a small town.

Today the ultra-orthodox live mainly in Jerusalem. Bney Beraq is growing and blossoming, while the Tel Aviv community is in decline. However, there are ultra-orthodox in Arad, Netanya, Haifa, Hatzor, Ashdod, Immanu'el, Petah Tiqwa, Netivot, Ofaqim, and Zikhron Ya'akov, too. The Sephardi ultra-orthodox have large concentrations in Migdal Ha'Emeq and Or Yehuda.

Dr. Yosef Shalhev, a geographer, said that the ultra-orthodox group is very flexible concerning location. Because it does not have a specific professional definition, it finds it easy to move to remote places.

### Clothing

In the first years after the founding of the state, obsessed by the trauma of the Holocaust, many orthodox Jews were careful not to stand out in their external appearance. They did not wear beards and side curls, compromised to wearing straw hats, and the women chose to wear hats rather than wigs.

Today, the ultra-orthodox Jewry is punctiliously returning to the original East European costume. The Sephardis are even beginning to wear robes and fezes again. The wig industry is blossoming as never before. According to estimates, some 75,000-100,000 wigs are sold in Israel every year.

### Consumption

A lot of food and children's products—books, clothes, and toys. Some manufacturers develop special production lines for the orthodox sector. On the other hand, the per capita number of cars is low. There is enormous demand for private transportation services: transportation networks for schools, special occasions, public events, and funerals.

The sale of microwave ovens and air conditioners has picked up in recent years. Orthodox grocery chains like Yad Ezra, Ahi'ezer, Degel Hatorah, where the orthodox community buys 25-50 percent of their foodstuffs and cleaning products, play an important marketing role.

### Communication

In this respect there has been a tremendous revolution. In the past the orthodox community had a small press, much like school newspapers. Today it has two dailies, HAMODIA and YATED NE'EMAN, which also have extensive Saturday supplements. There are also at least four weeklies with a circulation of thousands of issues each: YOM HASHISHI, EREV SHABAT, KEFAR HABAD, BAMAHAHANE HAHAREDI, and more than a dozen others, as well as monthlies and short-lived journals. Almost every major Hassidic court now has its own publication.

The cassette market has been growing enormously, especially recordings of Torah lessons and children's tapes. The most popular among the vocalist stars are Mordekhay Ben David and Avraham Farid, who have sold more than 250,000 copies each.

Video recorders have come into use especially for public purposes: producing movies of educational establishments for raising funds, documentaries, and as we saw yesterday at the Sports Arena, for taping public events. Advertising, too, which in the past ignored the ultra-orthodox public, is now energetically courting that public.

### Employment

In the past the ultra-orthodox community was employed in trade, office work, insurance, and trades—tailors and carpenters—and some even in agriculture, and of course there were rabbis and yeshiva principals. There were almost no ultra-orthodox among the professions that required a university education. Most of the women stayed at home and didn't dream of going to work.

Recent studies reveal that in the first few years after marriage, more than 90 percent of the ultra-orthodox men continue their Torah studies and live on community allowances, social security allowances for children, and on their wives' earnings.

Currently 50-60 percent of the young women work outside the home. The most frequent occupation is teaching. In the past few years the scope of employment has been expanding to include computers, graphics, design, accounting, and some small trade. Women usually work part-time, so that the economic situation of average ultra-orthodox families is worse today than it was at the time of the founding of the state.

### Education

Education has been experiencing an unprecedented upsurge. After the establishment of the state, ultra-orthodox children went to regular, independent elementary schools. Today they are back at the "heder" [religious schools], where the language in many cases is Yiddish. The desire to emphasize the traditions of original communities brought about the development of an educational substructure: a network of elementary and high schools for the followers of Gur, Vizhnitz, Belz, Habad, and the Lithuanians. Since the last elections, the network of Sephardi schools has also been growing rapidly.

### Health

Two small orthodox-oriented hospitals existed and continue to exist in Jerusalem: Sha'are Tzedeq and Biquq Holim. In the past few years the number of orthodox doctors has increased, especially new immigrants. Two additional hospitals have been opened by the ultra-orthodox: Laniado in Netanya and Ma'ane Hayeshu'a in Bney Beraq, which has just opened.

There has also been tremendous development among ultra-orthodox medical assistance organizations. Yad Sara, the largest volunteer organization in Israel, was established at the initiative of the ultra-orthodox and under their management. The organization of the Gur followers is now carrying out a blood drive. In Jerusalem, Bney Beraq, and other towns, the orthodox community runs the volunteer organization Hatzala, associated with the "Red Magen David" [Star of David] for first aid.

### Conclusion

Experts say that in view of its natural rate of growth, the ultra-orthodox community will number about 800,000 people within 10 years. And whoever thinks that this community will be content to remain on the fringes of Israeli politics and society, is dead wrong.

### Ari'el Settlement Receives Soviet Immigrants

44230118A Tel Aviv HA'ARETZ  
in Hebrew 1 Mar 90 p 3B

[Article by Nadav Sargay]

[Excerpts] The noise of activity was noticeable in Ari'el last Thursday: Pneumatic hammers cut into rock, Arab workers from the adjacent village of Haris stretched sewage pipes across a new residential neighborhood whose construction is currently being completed, and the people of the gardening department were busy with planting. Fifteen structures, which have seen better days, were renovated by locksmiths, electricians, and other craftsmen. In the intensive Hebrew language instruction program of Hana Golan, new immigrants from the Soviet Union sat in eight classrooms and studied Hebrew.

Ari'el, the largest Jewish settlement in Samaria, is home for one-tenth of all Jewish settlers in the territories, about 8,500 persons. It was established in the heart of Samaria on rocky hills overlooking olive groves and facing the minarets of mosques. From it, one can see the line of the horizon on the sea. The air is pure, the view is nice, neighborhoods of cottages, gardens, and nice apartment houses.

Each year, 250 families come to Ari'el, and about 80 leave it. This growth rate has not changed during the intifadah years. Ari'el is fundamentally secular. Its residents came to it for its quality of life and inexpensive housing.

The founding nucleus of Ari'el included Ya'aqov Fietelson, the first council head and a prominent activist on behalf of immigration from the Soviet Union in that period, along with several dozen friends. He is now running again for the council head post against young, talented, and ambitious Ron Nahman. The two of them are counting the days until election day on 8 May.

During Nahman's tenure, Ari'el developed significantly. Anyone touring there today can only be impressed by the great development momentum: Hundreds of housing units are under construction, and hundreds of others are in one preconstruction phase or another. There is accelerated environmental development, a theater under construction, a Histadrut [labor federation] center about to be opened, and a large Coop supermarket to be dedicated in the near future.

But Ari'el's current story is the immigrants. Ari'el has always been a leader among Jewish settlements in the territories in the absorption of immigration from the Soviet Union.

The establishment does not direct them here, nor do the politicians (Ron Nahman is completely right as far as this is concerned). They are coming on their own free will.

The favorable terms for acquiring an apartment in Ari'el formed a central component in the considerations of 54 families from the new wave, who have come to Ari'el to date. However, such terms can also be obtained in the Galilee and the Negev. Not everyone remains here. However, after several weeks of language instruction in Ari'el, most of them say that they like it.

The new immigrants are currently in the news, and the whole world is talking about them. Only the immigrants themselves are not heard. No one asks their opinion or how they feel about being in the center of a political debate. Does it worry them at all, and if so, have they managed to form their own independent position? [passage omitted]

Ari'el's land reserve is astonishing in its scope: 30,000 dunams, half of which is state land, ten times more than the city of Giv'atayim. The draft plan for the 21st century calls for 100,000 residents. The land foundation was laid 15 years ago by dealer Shmu'el 'Enav, when he acquired 2,000 dunams of land from the village of Haris with the approval of Shim'on Peres, the defense minister at the time. In August 1978, the first 40 families settled in Ari'el. 'Ezer Weizmann would perhaps seek to forget this, but it was actually his struggle 12 years ago with Ari'el Sharon that led to the establishment of the largest Jewish settlement in Samaria. Sharon sought to spread 120 small settlements in the entire territory, while Weizmann sought to limit their number and to establish six large cities in selected places. Actually, both obtained their wish. Sharon obtained the 120 settlements, and Weizmann the six cities.

Thus, there is no land shortage in Ari'el, but the supply of apartments lags behind demand. More new immigrants, mainly from the Soviet Union, are currently adding to the population. Menashe, who does not wish to be identified by his full name, aids in their absorption. He was a prominent Soviet immigration activist in the early 1970s and has been in Israel since 1969, in Tel Aviv for 20 years, and in Ari'el for only 6 months.

Menashe has a solid opinion of the human resources with which he is currently dealing: "These are good people, 'your own people,' despite all appearances, who want a comfortable life and who seek a good quality of life. There are no revolutionaries here. No one comes here because of ideology. They heard about Ari'el from relatives and friends who are already here, or their relatives settled here. Most of them are removed from Judaism. They know next to nothing about Israeli politics. If you ask them about the difference between the

Likud and the Labor Alignment, they do not know what to say. Their primary concerns are a livelihood and housing."

Menashe relates that they know of the debate over settlement in the territories. However, he believes that as long as the government permits settlement in Ari'el, immigrants will come here, because it is a small place with a veteran Russian nucleus that is already consolidated. It also has a population that warmly welcomes them and gives them treatment that they would not receive in another city.

Orna, who teaches Hebrew in the language program, corroborates his remarks: "Every Israeli citizen should try to place himself in the shoes of these immigrants for a moment: Tomorrow you are in a 3-room apartment, which is not yours, in a new land with your wife, children, parents, and your mother's parents. You have neither salary, livelihood, nor the ability to speak the local language. Does one think at all about politics in such a situation?" The immigrants who come to Ari'el are no different from the immigrants who go to Be'er Sheva' or Tel Aviv. They are materialistic people lacking even one iota of the revolutionary zeal that characterized the famous refuseniks in past years. The most recent immigrants came to Israel out of fear for their fate in a changing Soviet Union.

The possibility that they will change the demographic balance in the territories seems refuted. At most, about 200 persons have settled in the territories, and a similar number will join them. If more come, there will be no room for them. There are simply no apartments. At most, this immigration will help to promote the settlers' public relations image and will enhance their legitimacy. After a period in which a large part of Israeli society inside the Green Line felt alienated from the Jewish population in the territories, the latter is suddenly winning appreciation if not agreement for the way it is absorbing the immigrants.

Other sectors in the Israeli population, such as the kibbutzim, can only observe, perhaps enviously, learn, and try to do similar things.

### **PLO Warned To Stop Acting Against Immigration**

*44230124C Tel Aviv HA'ARETZ  
in Hebrew 26 Mar 90 p B1*

[Article by Dan Margalit]

[Text] There is some logic in the U.S. pincher policy of the past 96 hours. Richard Hess of the White House angered the Arab lobby by chastizing it for its opposition to Jewish immigration, and Lawrence Eagleburger of the State Department explained to Ambassador Moshe Arad that there was no dollar guarantee for the absorption of Soviet immigrants in the territories.

There is also room for some Israeli conscience-searching. If Yitzhaq Shamir and Shim'on Peres had agreed that the PLO represent the Palestinians in Cairo, they would have had an efficient diplomatic means of pressuring Yasir 'Arafat, who is maliciously feeding the Arab instigation machine against immigration.

Anyone who is conducting such a campaign is not a partner for dialogue for the Jewish state. Except that the unity government erased the PLO from the political map and has no one to talk to.

Nevertheless, those matters become insignificant in the great scheme of things. The decisive fact is that the Hungarian airline submitted to Palestinian threats of terrorism and stopped flying Soviet immigrants to Israel; and 'Arafat cannot claim innocence after he told Moroccan television on Saturday that the Jews should not emigrate to Israel, but to Canada. He made no distinction between Tel Aviv and Nabulus, nor between Netanyahu and Janin.

The Palestinians and the Hungarians, and whoever else may imitate their example in Europe, do not understand the significance of the terrorist threat in this connection, and especially the significance of submitting to it.

This time it was Hungary. Memories immediately came to mind of the arrow cross party and the millions of Jews shipped from Budapest and Cluj to Auschwitz.

And once again it is 'Arafat. This account is a long one: For 70 years the Palestinians have been using violence against the immigration of Jews from Europe and from Arab countries. There were no holds barred for this purpose: murder in the streets and burning down towns.

In this context, the PLO must understand that wielding terrorism against the principal reasoning for the existence of a Jewish state within the Green Line will bring down on them not only the Likud and the parties to the its right; the Palestinians are also angering the Alignment and the parties to its left; those who believed that the nightmare of the Palestinian Charter and tossing Jews into the sea was a thing of the past; and those who tended to accept the Palestinian argument that Security Council Resolution 242 recognized the legitimate right of the Jewish people to a sovereign life in their country. When the moderate Zionists come to the conclusion that Beny Begin and 'Uzi Landau are right, and that in point of fact the whole Palestinian moderation is nothing but a ruse aimed at destroying Israel in stages, then all the Yosi Sarids, Shulamit Alonis, Amnon Rubinsteins, and Ya'ir Tzabans will stand up and say, "This far and no further," and then there will really not be peace in the Middle East, and the responsibility will lie squarely on the Arabs.

That is because when the Zionist left becomes convinced that there is no one to talk to, then Yitzhaq Rabin's strident order to break their arms and legs will return to

the agenda; and when members of Peace Now begin to wholeheartedly follow that order, then it will be successful.

Something is already happening. Moderate Israelis who took at face value 'Arafat's promises of moderation were horrified by his furious actions in Moscow, his threats against Budapest, and the campaign to sign up Arab students of the Hebrew University against immigration to small Israel. They realize that whoever chooses to act like that does not really recognize the national right of the Jews to self-determination and mistakenly believes that the basis for Zionist consensus has been broken. However, the Arabs will not be able to successfully threaten the right to gather in the diasporas even if they use terrorism and bloodshed, and even if they resume war.

There is no knowing whether the Palestinians' political interventions against Soviet immigration will succeed. It is doubtful whether the West will receive Russian Jews with open arms; and Hungary's submission to terrorism will run into the raised fist of the World Jewish Congress. The U.S. Congress will penalize Budapest, and the threat to use force against it is not an Arab monopoly. There are extremist Jewish groups throughout the world, and those who take Hungary's example and claim that their businesses were exposed to Palestinian terrorists will be forced to take into consideration that they are as vulnerable to non-Arab violence, too.

In addition, it is clear that if terrorism defeats immigration, it will also destroy any chance of peace. Before the Palestinians decide to continue the mad endeavor to imprison Jews behind the iron curtain that has recently collapsed, they would do well to set up another talk between 'Arafat and Abie Nathan about national consensus in Israel. That may actually be an advantage to the head of the PLO.

#### Gush Emunim Distances Itself From Levinger

44230124A Tel Aviv HA'ARETZ  
in Hebrew 25 Mar 90 p 2

[Interview with Yo'el Ben-Nun, former Gush Emunim activist, by Gid'on Alon; date, place not given]

[Text] [HA'ARETZ] Were you surprised to hear of Yitzhaq Armoni's resignation?

[Ben-Nun] "No. The truth is that from the beginning I didn't think he had many chances of effecting changes within the system, but I thought that, since he had Rabbi Levinger's confidence, he might succeed. However, shortly after he assumed his position it became clear that he would soon come to the right conclusions."

[HA'ARETZ] Do you think that the Gush Emunim secretary general gave up because Levinger did not allow him to introduce democratization in the bloc?



[Ben-Nun] "Certainly. The old leadership of Gush Emunim was not willing to participate in the democratization that Armoni wanted to introduce in the reorganization of the movement's structures, just as it had not been willing in the past. Because Armoni was a man of courage and principle, who was not prepared to allow others to lead him, he drew his own conclusions."

[HA'ARETZ] Why is the old leadership opposed to democracy within Gush Emunim?

[Ben-Nun] "Gush Emunim is a voluntary ideological movement which was never led by an elected leadership, but always a historical one. It cannot be said that an ideological movement has no justification for existing unless it is democratic. The historical leaders are entitled to say: This is the movement we founded, and whoever doesn't want to accept our philosophy is free to leave. The bloc's problem began when an increasing number of people began to vote with their feet and were not willing to stand behind the historical leadership, because it was not willing to allow new forces to join and to vary its activities while reshuffling the leadership."

[HA'ARETZ] The conclusion emerging from your statement is that as long as Levinger remains at the head of the movement, no secretary general will be able to make real changes?

[Ben-Nun] "Precisely. However, it is possible to do something within different frameworks, because today Gush Emunim does not reflect the entire ideological movement. The center of gravity has shifted to Amana (the settlement movement), to the Council of Judaea, Samaria, and Gaza, and to parties that are established movements with members and democratic electoral procedures. The fact that Gush Emunim is not democratically run is the disturbing factor. The person who is blocking any possibility of change and variety in its approaches is Rabbi Levinger, who is responsible for all the movement's actions in the past years. But he is not willing to pay the price."

[HA'ARETZ] Is Armoni's resignation an additional signal that Gush Emunim is in decline?

[Ben-Nun] "This is not necessarily a decline. The movement is alive and well, without the initial factor that created it. One can paraphrase a famous song and ask: When you say Gush Emunim, what do you have in mind? The formal structure, or the movement as a whole?"

"In my opinion, the movement as a whole does not now identify with Rabbi Levinger and his trial. That is a proof of the fact that the process of emergence of a new generation was fast and successful. It is important to grasp that the real historical leader of Gush Emunim was the late Rabbi Tzvi Yehuda Kook. By comparison, Levinger, Hanan Porat, and Beny Katzover were only apprentices. Today they are almost all of them in politics

or in the Regional Council, while Rabbi Levinger is the only one of that group who is still identified with the ideological movement."

### Arab Sector Public Works Reportedly Improved

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in Hebrew 1 Mar 90 p 3B

[Excerpt] On hot days, the stench of sewage flowing freely on the outskirts of Taybah is stronger than during the cold days of winter, when the sewage water mixes with rain water. However, in the winter, the residents of Taybah are forced to tread in mud up to their knees along the roads of the village, which, according to planning maps of the municipality (soon to be a city) are supposed to be paved. The annual development budget, which can hardly provide for the paving of a single section of road in the village, and a 4-million shekel deficit, which equals about a third of the current budget approved by the Interior Ministry for Taybah's local council for this year, motivated Taybah to participate in a strike of local, Arab councils this week.

Participating in the general strike were 750,000 Arabs of Israel, who were protesting the financial distress of the local, Arab authorities. Again, for the umpteenth time, demands for terms and allocations equal to those of the Jewish sector were made. For the umpteenth time, statements of agreement and "recognition of the true distress of the Arab sector" were heard from the finance and interior ministers, who are supposed to prevent this distress.

The Arab sector includes 114 settlements, but only 58 of them are recognized by the state and administered by elected local councils. Fifty-six settlements, populated by about 100,000 persons, do not exist from the standpoint of the state's authorities. They are thus precluded from receiving vital services, such as water and electric power grids, sewage systems, and trash removal services.

Some of the "nonexistent" villages are concentrations of Bedouins in the Galilee and Negev, in which any construction is illegal and subject to demolition. Attempts to concentrate the Arab population in recognized and well-organized settlements have only partially succeeded. All efforts to persuade, encourage, and even offer material support have not influenced about 14 percent of the Arabs of Israel, who prefer to continue living in substandard conditions in their places of settlement, and to wait until the authorities agree to grant them recognition.

The Interior Ministry is not willing to compromise regarding this matter. It claims that more local authorities mean more expenditures, and that an increase in local Arab authorities would be to the detriment of the Arab sector. The Interior Ministry not only wishes to eliminate unrecognized villages, it is also seeking to reduce the number of local, Arab councils by unifying and merging municipalities, such as the merger between Kafr Yasif and Abu-Sinan, which was intended to realize savings on expenditures and perhaps solve the financial distress of the Arab authorities.

The leaders of the Arab sector view this program as an attempt to weaken the Arab sector's political power, and they strongly oppose it.

Large gaps exist between the data presented by the heads of the local, Arab authorities regarding the measure of governmental support that they receive and those presented by the heads of the finance and interior ministries. According to the data presented by the heads of the Arab authorities, in 26 Arab settlements, there is no sewage system at all. Regarding the education system in the Arab sector, there is a shortage of 4,286 teachers and 1,200 classrooms, and about a fifth of the classrooms are in a substandard condition. About a fifth of the students do not complete compulsory studies in the primary schools, and about 50 percent drop out in the middle of secondary school studies. The unemployment rate is 25 percent in Arab cities and 15 percent in the villages. The deficit in all of the Arab authorities totals about 100 million shekels.

#### **Prolonged Neglect**

As'ad Ghanim, the coordinator of the Arabs of Israel Section at the Jewish-Arab Center at Haifa University, and an instructor in the Political Science Department, has data that indicate large gaps between the allocations obtained by the local, Jewish authorities and those allotted to the Arab authorities. The most recent data in his possession are from 1986. The total allocation to the Arab authorities in that year was about \$30 million, out of a total allocation for local government of \$1.3 billion. In other words, the Arab local authorities, which must provide services to about 12 percent of the state's population received 3.3 percent of the allocation for local government.

In 1986, development allocations given to Arab local authorities totalled only 8 million shekels, which, according to Ghanim, are about 4 percent of all development allocations given in the same year to the local authorities. The per capita allocation for development in the Arab sector totalled in the same year about \$5, compared to \$50 to \$60 in the Jewish sector. In the same year, the Interior Ministry allocated 406,000 shekels to Zefat, and only 153,000 shekels to Shefr'am, which has a larger population. Umm-al-Fahm, with a population of 25,000 received 145,000 in 1986 from the Interior Ministry; Karmi'el, with about 20,000 persons, received 232,000 shekels. Bayt-Jan, a Druze village with a population of 6,000 received 39,000 shekels about 4 years ago in the framework of the balancing grant, whereas, Zikhron Ya'akov, with 5,200 persons, received 137,000 shekels. The Arab village of Ikhsal, with 6,000 persons, received 40,000 shekels in the same year, and Yeruham, a settlement with a similar size, received 293,000 shekels.

According to Ghanim, the gaps are also expressed in the number of workers which the Interior Ministry authorized the Arab local authorities to employ, compared to the number of employees in the Jewish authorities. For

example, in 1986, the number of workers in Nazareth was 393, compared to 433 in the municipality of Upper [Jewish] Nazareth.

In the Interior Ministry, there is a willingness to acknowledge that the Arab sector has suffered in the past from prolonged neglect. However, the ministry claims that, since Arye Dar'i began to serve as interior minister, the picture has changed beyond recognition. Aid to the Arab sector has increased significantly, but another several years are needed to bridge the gap that has developed, and the Arab sector cannot demand the overnight erasure of a lag that has been on-going for 40 years.

In contrast to the dated statistics presented by As'ad Ghanim, David Qafah, the deputy director general of the Interior Ministry, presents data for 1989 on development allocations placed at the disposal of local authorities, including the Arab sector. The following is a random list of per capita development allocations by settlement: In 1989, in Ofaqim, the per capita development allocation totalled 42 shekels; in Or-'Aqiba, 179 shekels (the irregular sum is due to investments in sewage system improvements following the polio outbreak); in Be'er-Ya'akov, 44 shekels; in Beit She'an, 52 shekels; in Binyamina, 46 shekels; in Gadera, 65 shekels; and in Yeruham, 89 shekels. Regarding the Arab sector: In 1989, in 'Iblin, the per capita development allocation totalled 95 shekels; in the Halab bloc, 116 shekels; in Taybah, 51 shekels; in Qafir Qasim, 37 shekels; in Sahnin, 68 shekels; in Fardis, 64 shekels; in Qalansu'ah, 77 shekels; and in Khabul, 56 shekels.

However, the Interior Ministry also acknowledges that, because of the large gap in the infrastructure level between Jewish and Arab settlements, it would have been appropriate to give the Arab councils much larger development allocations. In a televised face-off between the head of the Taybah Council, Rafiq Hajj Yahya, and Interior Minister Aryeh Dar'i, the Taybah Council head sought to underscore the discrimination. He compared the allocation of the regional council of Megiddo to that of Taybah. The allocation of the Megiddo regional council, which serves 8,200 persons, is 18.8 million shekels, whereas the allocation approved this year for the Taybah local council, which serves about 19,000 persons is 12.2 million shekels. In response, David Qafah, the deputy director general of the Interior Ministry, stated that there is no basis to a comparison between Taybah and the Megiddo regional council, which, while it serves a smaller population, is spread over a larger area, which makes services more costly. [passage omitted]

#### **Lowering of Bank Interest Rates Advised**

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in Hebrew 9 Apr 90 pp 4-5

[Article by Yitzhaq Deutch]

[Text] The average profit for the banks thus far made public, 5.7 percent, is still so low that this figure cannot be relied on for long. Given the heavy write-offs for

questionable debts, and that the economy is wallowing in a recession, however, this figure is not to be regarded as a tragedy. That is the view of Dr. Amnon Goldstein, the banks controller. During a transition period, it is not so terrible that profits are lower than they should be, particularly when the years of higher profits are taken into account. The bottom line is that the bank system will have to stabilize its profits from capital at 7 to 8 percent, which is also the proper level for the international banking system.

In total, profits before tax for the four large bank consortiums—at the time of this article, the balance for Bank Mizrahi had still not been published—come to 1,028 million new shekels (NS), compared to 486 million NS last year. Net profits amount to 348 million NS compared to 90 million NS last year. The return of 5.7 percent on capital this year compares to 0.7 percent last year.

Dr. Goldstein's analysis begins with a comparison of the balance sheet for this year with last year's. Last year saw frightful expenditures of 2.2 billion NS because of the huge write-offs for the uncertain debt payments of the kibbutz settlements, Koor, and others. The write-offs this year come to 1.5 billion NS, and that accounts for the difference. In 1988, 3.2 percent of the credit account, in 1989, 2.2 percent; a difference of one-third. Such a level of write-offs as occurred last year cannot be sustained and is above and beyond anything known elsewhere in the world, where acceptable capital write-offs are only about 1 percent. Even this year's figure is exceptionally high, still double the equilibrium level.

What is the cause of the high level of write-offs this year for unreliable debt payments? Dr. Goldstein points to a broad range of factors, including small and intermediate borrowers. A year ago, the kibbutz settlements agreed to write-offs as a one-time event. This year, a broad range of borrowers was influenced to a large degree by the slow-down in the economy. That, however, was not the only factor at work. For years, the banks improperly managed their credit accounts, relying too much on the willingness of the government to bail them out and too little on the financial situation of the customer. The banks today have jettisoned that attitude, but are still saddled with a large volume of debts from the earlier period. Furthermore, investigation of the borrowers' situation was lax, and the lending banks relied exclusively on collateral which, we now know, was not always of sufficient value. What is required is proper investigation into debt repayment and the financial situation of the customer, and persistent follow-up. The banks have not yet developed the outlook of demanding that their borrowers supply financial reports to provide them a basis for studying the customer's situation. The bank controller's office is considering imposition of measures that would condition granting credit upon receipt of financial reports from borrowing firms.

The huge write-offs bit into the banks' profits in 1989 as well. The write-offs are more than double the level of

those for doubtful debts necessary for the bank system in the long term. The write-offs must be reduced by more than 700 million NS; that is the route to greater profits. Nonetheless, the reduction in write-offs did contribute to an improvement in profits in 1989.

Another source of improvement was the drop in operating expenses. Employee salaries rose 17 percent in real terms in 1987 and 7 percent in 1988, while preliminary estimates indicate that there was no real rise in salaries at all in 1989. "That is definitely a change for the good," says Dr. Goldstein.

The efforts the Bank of Israel has made in this direction have born fruit. In 1989, the central bank returned to its former emphasis, by which the banks pay wages according to the long-term trend of profits and not on the basis of profits for just a given year. Even when long-term profitability is rising, wages must reflect nothing but greater productivity. That was the course taken in 1989, which has well served both the banks' management and their employees.

One of the factors pushing down profits was the shrinkage in the disparity between the interest on debts and the interest on credit in the unlinked shekel market. In the controller's opinion, the primary monetary goal of the central bank must be a reduction in interest rates, not a lessening of the disparity. If the disparity were too high, bank profits would be too great. It is true that profits are important in streamlining the banks' operations, but one cannot overlook the fact that there has been a drop in manpower in the banks since 1983 by about one-fourth, that the number of branches has shrunk by 10 percent, and that even the wage agreements of 1989 were a positive development. There is, of course, another aspect to consider. Because the banks act as monopolies, it is necessary to demand that they lower interest and reduce the rate disparities. Purely from a monetary point of view, however, the emphasis must be on bringing down interest rates and not on lessening the disparity in rates.

At the same time, the controller believes that both the interest rate in the shekel sector and the rate disparities of the banks have come down. The bank system must adjust to this development. What is particularly important is that, if the contribution of the unlinked shekel sector to the banks' profits amounted to 60 percent 2 years ago, it went down to just 40 percent this year. That is a serious reversal requiring the banks to adapt to a new situation. The remedies for correcting this discrepancy must be a continued decrease in write-offs for bad debts and greater efficiency in operations. Bank employees will have to continue to be satisfied with modest salary raises while the banks steadily reduce their work forces.

How are the huge debt write-offs and the low profit rates of the banks affecting the possibilities for selling the banks? On this subject, Dr. Goldstein grabs the other end of the stick. "I do not see any other bank system in the world that has gone through what the bank system in Israel has gone through. In the past 5 years, bank

write-offs have amounted to about 1 billion NS. That figure is greater than their available capital and more than 10 percent of the total credit account. Despite that, the stability of the banks has not been shaken. On the contrary, the banks at this time have even shored up their foundations and increased their available capital by a net 500 million NS."

And what is happening with Bank Discount, which saw its profits take a turn for the worse this year?

The controller says that there has been no significant change from last year. Bank Discount is maintaining its profit margin; there is no reason to predict a downslide.

All in all, Dr. Goldstein emphasizes, the results for any given year are not important. What is decisive are the results in the long term. "On this score, we are confirmed optimists. The system has undergone some severe shocks and gone through a house-cleaning but come out the stronger for it. Barring, of course, new catastrophes, the future should bring smaller write-offs for bad debts. Consequently, anyone who buys the banks today knows that their credit accounts are fundamentally sound, much more so than they were 2 years ago.

"The buyer also knows that changes have been made that assure better management of the accounts. Most of the banks have also developed a process of credit review designed to perform an analysis of the customer's situation and to follow up on it regularly after a loan has been made. These departments operate separately from the credit department itself. This is a valuable asset that reduces the risks of failure in the future.

"Anyone who would buy the banks today knows that the system is healthier and sounder than it was in the past, that it is operating in a better structure of capital and money markets, and that, moreover, the Bank of Israel is removing many restrictions—bringing down liquidity rates, simplifying directions for foreign currency, and streamlining applicable credit arrangements. The tendency is to impose fewer restraints and to interfere less, and also to serve less as an umbrella. This is a new period, both for sources of profit and for risks; that is what makes it interesting for those in business." [quotation marks supplied]

Bank ledgers now include the details of the salaries and various benefits of the senior officers. How does the controller view these figures?

Dr. Goldstein: "We have insisted that everything that goes into the salaries, benefits, and "gilumim" [meaning unknown] be made open to the entire public. In that, we have been stricter by far than the requirements of corporate regulations. It is this step that has led to full disclosure of the data that was not made public in the past." Still, the controller is not the commissar of bank salaries. There are 2 components to these salaries, their influence on the stability of the banks, and their effect on social norms and morals. It is not the function of the banks' controller to interfere in that even though salaries

have implications for the banks' stability and their orderly management.

Israeli Banking (data from the 4 largest banks)			
	1989	1988	Change in percent
(in millions of NS)			
Profit before tax	1,028.0	465.8	120.7
Net profit	347.6	40.4	760.4
Write-offs for bad debts	1,450.6	2,150.8	-32.6
Balance total	158,933	164,830	-3.6
Public deposits	107,452	108,233	-0.7
(in percent)			
Net revenues on available capital	5.7	0.7	
Net profit on balance total	6.2	0.0	
Write-offs for bad debts on total public loans	2.2	3.2	

#### Aviation Industry To Build New Aircraft

44230124D Tel Aviv YEDI'OT AHARONOT (Financial Supplement) in Hebrew 27 Mar 90 p 1

[Text] The fall of the Lavi aircraft prompted the aviation industry to reconsider the Namer project. The Namer is a relatively inexpensive fighter plane designed for countries that don't need sophisticated fighter planes. The design utilizes a body that parallels the Kfir and features advanced avionics. The industry thus hopes to develop a fighter plane whose performance can match the first models of the F-16 or the Mirage 2000, but at two-thirds the price.

Moshe Sharef, international marketing director for the Lahav military aircraft enterprise of the aviation industry, revealed that the Namer project indeed exists and that contacts are under way with various countries in this connection. "We need one or two customers who together will order 80 to 100 such airplanes. Only then will it be worthwhile to have a production line for them." According to Sharef, the idea is to develop the prototype in Israel and then to transfer production to the customer's country.

The Namer will be equipped with an advanced engine on the pattern of the American F-404. Potential customers will be offered a European engine which will exempt the aviation industry from securing U.S. permission to export the plane.

The resumption of the Namer project and other aviation industry activities once again show that the name of the game in the area of military aircraft today is upgrading.

The astronomical cost of the new fighter planes are persuading an increasing number of countries to upgrade their air force instead of embarking on purchasing adventures.

The international press reports that Chile has recently signed an agreement with the aviation industry worth about \$200 million to upgrade its F-5 aircraft.

Two squadrons of Kfir planes, which had been leased to the U.S. Navy for simulation of Russian fighter planes and have been returned at the end of the contract, are the first candidates for upgrading. Sharef verified that contacts are already being conducted for this purpose.

Other Israeli companies, too, have grasped the potential inherent in upgrading. One of them is Astronautics of Bney Beraq, which specializes in the development and production of advanced avionics systems and has won a bid to supply the core of a new avionics system that the aviation industry will build for the purpose of upgrading aircraft.

## LEBANON

### Al-Husayni Interviewed on Domestic Issues

90AE0010A London AL-SHARQ AL-AWSAT  
in Arabic 1 Apr 90 p 4

[Interview with the Chairman of the Chamber of Deputies, Husayn al-Husayni by Huda al-Husayni; in Paris; date not specified]

[Excerpts] [Passage omitted] [AL-SHARQ AL-AWSAT] Why are you in Paris? What task brought you here?

[al-Husayni] With the start of the regular session of the Chamber of Deputies, it was necessary to consult with a number of deputies in Paris concerning a plan of action on the level of guidance and control, the positions that must be adopted regarding the legitimate authority's plan of action to extend state authority to all Lebanese lands, and discussion of events in the eastern area, to which authority must be extended in addition to other places.

[AL-SHARQ AL-AWSAT] Will the legitimate authority become consolidated through dialogue?

[al-Husayni] It is well known that a dialogue has occurred, resulting in the National Agreement Charter, which was approved by a parliamentary majority. The consolidation of authority and security was supposed to have been effected through mutual consent. However, in the wake of this national agreement, security must be achieved by means of the legitimate Lebanese armed force, which is under the command of General Amil Lahhud.

[AL-SHARQ AL-AWSAT] Why do the deputies refuse to return to Beirut to consult with you regarding parliamentary matters?

[al-Husayni] Before I came to Paris, I repeatedly stated that I was not coming to summon the deputies because the deputies, as they themselves have promised us [awwaduna], are always willing to fulfill their duty when necessary. I have heard of their refusal only from you.

[AL-SHARQ AL-AWSAT] Why did the Chamber of Deputies hold its first meeting at the al-Najmah Plaza and not at Mansur Palace. Does that mean anything in particular?

[al-Husayni] Absolutely, Mansur Palace is a temporary seat. Because of the obstacle now being posed by the rebellion of former Army commander Michel 'Awn against the state's authority, Mansur Palace is no longer an appropriate place to meet. Al-Najmah Plaza is the primary seat of the Chamber of Deputies to which the chamber has returned.

This return renews hopes of an end to the state of war. It means that the original legitimate authority, the Chamber of Deputies, in its capacity of representing the people, has returned to its primary seat to embark on the road to peace.

[AL-SHARQ AL-AWSAT] Do you believe that the patriarch [Bakraki] can impose a solution on the eastern area that could lead to a solution of the Lebanese crisis?

[al-Husayni] The role of many leaders, headed by the patriarch [Bakraki], has been marginalized in an attempt to impede solutions. The patriarch's [Bakraki's] resumption of his role heralds the return of matters to an even course. We support the initiative of the Patriarch, Nasrallah Butrus Safir, because we know how committed he is to Lebanon's unity, coexistence among all Lebanese, and the return of legitimate authority to all of Lebanon.

[AL-SHARQ AL-AWSAT] Do you believe that the patriarch's recent call for a meeting was made in coordination with the Vatican?

[al-Husayni] There is no doubt that the Vatican's operational strategy takes into account those axioms which I indicated, namely, unity, Christian-Muslim coexistence, and the return of legitimacy. It is inevitable that Patriarch Safir would coordinate with the Vatican. We attach importance to a more active Vatican role.

[AL-SHARQ AL-AWSAT] Have you informed Archbishop Khalil Abu-Nadir, who is in constant contact with you, of this coordination?

[al-Husayni] We are constantly coordinating with Patriarch Safir and Archbishop Khalil Abu-Nadir. Consequently, we are certain that the work of the patriarch [Bakraki] is moving toward the goal that we all seek.

[AL-SHARQ AL-AWSAT] What solution was offered by the French initiative. Has it failed?

[al-Husayni] There was no French initiative. The French declared so more than once. French Ambassador Rene Ala made efforts to expedite the handing over to the

legitimate authority of the part of the Army seized by Michel 'Awn. However, these efforts have not produced results.

[AL-SHARQ AL-AWSAT] Can one person seize 15,000 soldiers?

[al-Husayni] I do not wish to get involved in determining the number. We must not forget that the basic error lies in the negligence that allowed General 'Awn to attain the position of commander of the Army. This did not have to happen. Subsequently, when a power vacuum occurred because presidential elections did not take place in August 1988, and Gen. 'Awn seized control, this part of the Army was forced to remain under Gen. 'Awn's command. After presidential elections and the formation of a constitutional, legitimate government, Gen. 'Awn was unable to control this part of the Army, including many, who, in recent months, have joined its legitimate command, represented by Gen. Amil Lahhud.

[AL-SHARQ AL-AWSAT] The amendment of the constitution in implementation of the Ta'if Agreement requires the attendance of a third of the original members of the Chamber of Deputies, in other words, 66 deputies. Can you assemble this number of deputies?

[al-Husayni] First, let me clarify that the National Agreement Charter has been in force since a constitutional majority voted on it in the session that the Chamber of Deputies held at al-Qulay'at. Based on this charter, the new president was elected, the prime minister was appointed, and a government was formed and given confidence. Here, the focus on constitutional amendments is misplaced because matters proceed according to their natural course; the government formulates draft constitutional provisions, studies them, and refers them to the chamber. They are then discussed by the chamber. After the parliamentarian committees study and approve them, a session is held to enact them. This is done with great methodicalness. You should realize that the National Agreement Charter is a group of articles. Some require constitutional amendments, others the promulgation of laws or amendments of laws. Also, many points in the charter require only that we practice [marsah] them, which we are doing in the spirit of the national agreement.

[AL-SHARQ AL-AWSAT] Some believe that the expansion of the Chamber of Deputies under the present circumstances threatens the introduction of the militias and their logic into Lebanese legitimacy. What is your view?

[al-Husayni] The Ta'if Agreement provides for the problem of the militias' admission. The agreement stipulates the disbandment of the militias, the collection of their weapons, and the amendment of the Election Law pursuant to agreed foundations. Subsequently, parliamentarian elections will be held. Before that, in the transition phase, a limited number of deputies will be appointed to new positions and a few vacant positions. The number of positions that the militias will obtain

does not suffice to pose a threat. Therefore, this settlement between everyone will make it possible to hold parliamentary elections after the state's authority is imposed over the land. When this occurs, the will of the people will take root whether the militias are given a greater or lesser amount.

[AL-SHARQ AL-AWSAT] Some accuse you of overspending and the deputies of irresponsibility, in the sense that they live in Paris or in first-class hotels in West Beirut for which they request allocations!

[al-Husayni] A limited number of our colleagues were compelled by recent developments to leave their residences. The amounts spent are considered trivial relative to our functioning. Here, we must draw attention to the fact that, compared to these trivial sums, sums many times greater are spent by illegal forces at the expense of legitimacy. It suffices to say that all the state's revenues, duties, and taxes are currently held by illegal forces. These are huge sums. We need to revitalize our constitutional institutions so that the state regains its utilities and harbors. Therefore, it is impermissible to speak of overspending regarding the deputies because current circumstances require it. It takes the form of temporary assistance that does not even cover their minimum expenses.

[AL-SHARQ AL-AWSAT] Do their salaries in Lebanese pounds suffice for them to live in Paris?

[al-Husayni] Of course not. This is what we are facing now. We would provide an ambassador or envoy sent abroad with much more support than the assistance that we are providing to deputies.

[AL-SHARQ AL-AWSAT] Why did you cut the salaries of employees in the eastern area? Are you also encouraging residents of al-Sharqiyah to immigrate from Lebanon?

[al-Husayni] I have no authority in this regard. However, as a legislative authority, I do know that what I observe is contrary to what is said. We cut no one's salary. All that was demanded by the Defense Ministry in particular, and by other ministries, is that the legitimate authorities sign the salary lists, because it is impossible and absolutely impermissible to disburse salaries if the payees do not recognize the state's legitimate authority. How can the Finance Ministry be allowed to disburse funds that have not been signed by the officials who ordered the disbursement. Is it strange that the legitimate authority requests to examine the true state of affairs regarding salaries? I believe that the measures taken by the government are completely in order.

[AL-SHARQ AL-AWSAT] Will you continue employing these measures?

[al-Husayni] Yes. until the receivable disbursements of every bureau and every sector are sent to the legitimate authorities for their signatures. In addition, most of the official bureaus in the eastern area have been issued

money orders for drawing from the Central Bank and government funds. However, because of Gen. 'Awn's control of authority in the eastern area, he also controls public funds, which he has deposited in his personal accounts in Lebanon and abroad.

[AL-SHARQ AL-AWSAT] What was the outcome of the Lebanese passports problem? How can the state acquiesce in paying a sterling pound for a passport that costs only 18 pence. Do you believe that these commissions damage the government's reputation?

[al-Husayni] The subject of passports, the campaign being waged against the government because of it, and other matters require us to pause before making judgments. The entire matter was effected according to regulations, and, although it does not concern prices, I know that it was effected according to authorized prices. This is not the problem. The problem is that the interior minister has no connection to these contracts. His job is limited to approving the sample model based on which the new passports are printed. There is an urgent need for passports because we have lacked them for more than a year in all official bureaus, from general security, to the foreign and passports bureaus. We must hasten to print passports and place them at the public's disposal. A subsequent calling to account regarding this matter is the function of the competent authorities in the control and accounting agencies. The problem does not concern prices. Rather, it developed between the interior minister (Ilyas al-Khazin) and the governor of the Bank of Lebanon (Edmund Na'im), because the latter lacks the mandates to intervene regarding operational adequacy, whereas he is obliged to examine spending policy as a whole. Nor does he have a mandate to place himself in the middle as the authorized agent of the state. This does not accord with his position as an employee with a limited function stipulated by laws.

[AL-SHARQ AL-AWSAT] But a contract was signed by a Swedish company during the tenure of former Interior Minister 'Abdallah al-Rasi, and it cost much less!

[al-Husayni] The contract with the Swedish company was based on the previously used passport model. Continuing with this contract does not solve the basic problem that we wish to solve, which is that people have acquired passports without being entitled to them. Moreover, there are numerous forged passports. This has developed into a crisis for Lebanon abroad, where the Lebanese passport has come to be viewed with much doubt and suspicion. This requires creating a new passport model that differs from the one in circulation among the people in order to control the procedure for counting the passports of those entitled to them, and to collect and cancel private passports, having the character of a special passport. Therefore, the matter is not between one or another concessionaire. Agencies concerned with the rights of the contractor have no connection to the interior minister or to the governor of the Bank of Lebanon.

[AL-SHARQ AL-AWSAT] Have you remedied the crisis stemming from the attack against the governor of the Bank of Lebanon by the interior minister's guards, and, if so, how?

[al-Husayni] We do not justify the action undertaken by the Interior Ministry. However, at the same time, we disapprove of the judgments being made by those who lack jurisdiction. The judiciary is investigating this incident and adopting appropriate measures and provisions stipulated by law. The matter should not be exploited, because the government's situation requires it to act in solidarity and not create rifts of this kind. The parties wishing to wage defamation campaigns against the image of legitimacy are damaged by a solution. Such parties are numerous. They are perpetuating the Lebanese crisis, and the link between it and the regional crisis, when a solution to the Lebanese crisis is the true start of a solution to the regional crisis. Therefore, we must distinguish between constructive criticism, which wants to defend the people's rights and status and wants the government to function well, and those wishing to impede a solution by creating rifts that serve other goals not in the interest of Lebanon, the Lebanese, or anyone who is helping the Lebanese to emerge from the crisis.

[AL-SHARQ AL-AWSAT] Are there dangers currently threatening the Central Bank?

[al-Husayni] Not at all. We do not deny that we are experiencing an economic crisis because of the state of war. We wish to emerge from this crisis. We have achieved national reconciliation to emerge from the state of war after which the financial or economic crisis will not obstruct us. The state's economic situation is good. Most of our general debt is internal. Consequently, the amount of general money is worth much less than our gold assets. Therefore, it is no catastrophe when our general debt abroad is \$2 billion. Our spending \$2 million to produce passports for citizens is not so horrible.

[AL-SHARQ AL-AWSAT] Can you shed light on frequently mentioned remarks concerning a relation between the president and the commander of the Lebanese Forces?

[al-Husayni] Legitimacy does not bargain over its rights. It deals with all Lebanese with circumspection, whether they are willing to help the state extend its authorities, or impeding the state's policy. There is no room for passion, infatuation, relationships, or revenge in the work of legitimacy. The legitimate authority has clear-cut national goals over which it cannot bargain with any group.

[AL-SHARQ AL-AWSAT] Have the Lebanese Forces promised to help legitimacy extend its authority?

[al-Husayni] I am uninformed about any such discussions. I do know that the authority is determined to extend its authority over the land by assent or compulsion.

[AL-SHARQ AL-AWSAT] If you who are legitimate are rallying around the military organization and wish to save it, why do you stand with those who shoot at and subjugate it?

[al-Husayni] We distinguish between an officer whom the competent authorities have arraigned and the army under his control. For this reason, we are uniting the army before Gen. 'Awn gains control of a part of it, and before he severs this part's contacts and connections with many parts of this army, leaving them exposed to militias and others. All of that compelled us to be extremely concerned for this army and its organization, because we are fully aware that it is through the Army that we can extend the state's authority over the land. Hence, we do not neglect any Army element or officer who is still subjected to the terror and threat of Gen. 'Awn.

[AL-SHARQ AL-AWSAT] You stated that you are prepared to hold a dialogue with Samir Ja'ja', but you rejected dialogue with Gen. Michel 'Awn, whereas the lines are open between B'abda and Damascus?

[al-Husayni] I did not say that I would not hold a dialogue with someone. I said that a dialogue had been held, and that dialogue with Gen. 'Awn was impossible, because he is a rebel officer who has been arraigned. As for the Lebanese Forces, the Ta'if Agreement stipulates their dissolution as well as that of similar militias. It also stipulates their mode of political action in the peace train. I said that the peace train has enough room to accommodate everyone, and that we do not reject any person who wishes to board it. On this basis, we are working hard to implement the National Reconciliation Charter.

[AL-SHARQ AL-AWSAT] In other words, you reject dialogue with Ja'ja' as the commander of the Lebanese Forces?

[al-Husayni] This is not a matter of a dialogue. The dialogue took place and resulted in the charter for national agreement. We regard the dialogue as comprising two parts. There is the Islamic-Christian dialogue, which comes under the heading of fashioning coexistence. This dialogue is a permanent institution in which dialogue occurs daily between the members of the one family and the one people. We are very proud of this and consider it a cultural, humanitarian, world achievement. As for the political dialogue, we regard it as having taken place. The formula for governing, which was rallied around through the National Agreement Charter, can regulate the development process democratically through parliamentary elections after the articles of the national agreement have been completely implemented. At that point, the new chamber will have the authority to promote, amend, enact, and abrogate what it wishes.

[AL-SHARQ AL-AWSAT] Are you aware of contacts between Gen. 'Awn and Damascus?

[al-Husayni] I have no knowledge of such contact. I do know that the Syrian position corresponds completely with the position of legitimacy in Lebanon. Such a rumor

is not conducive to changing any aspect of our strategic goal to restore the state's authority to all Lebanese lands.

[AL-SHARQ AL-AWSAT] You focus considerably on the role of the Chamber of Deputies. Some propose holding new elections on condition that they be supervised by international forces to ensure their fairness, impartiality, and integrity.

[al-Husayni] I do not support creating false hopes or offering slogans that impede a solution. Some like to indulge their hopes in this proposal, which is an illusion. I believe that these are false hopes that will not be realized.

[AL-SHARQ AL-AWSAT] Do you mean that the supervision of elections by international forces is false hopes?

[al-Husayni] Elections cannot be held as long as illegal, armed forces are on Lebanese territory. Hence, we maintain that the National Agreement Charter, which was supported by a UN Security Council consensus, the European and Asian groups, America, Russia, and the Arab states, is the only way to ensure that the Lebanese hold elections under the auspices of their legitimate authority. Here, I ask: If elections can be held under international supervision, why is the international community unable to implement Resolution 425 in the south on which there is an international consensus?

[AL-SHARQ AL-AWSAT] What have you done regarding the implementation of this resolution, especially given that Israel has been stealing water from the Litani River since 1982, has recently began to add other lands and redefine the borders in the south, and is planning to establish settlements?

[al-Husayni] Israel's plans are many. Our job is to confront these plans with all the power that we have been given. International assemblies have witnessed our efforts to stop Israel from interfering in Lebanese affairs. Also, the Lebanese people has triumphed over Israel's plan to fragment Lebanon and establish sectarian entities on its ruins. We see this triumph now, inasmuch as there is no voluntary barrier between one Lebanese region and another. Rather, all barriers are compulsory and contrary to the people's will. The world realizes that Lebanon has succeeded in thwarting Israeli plans.

[AL-SHARQ AL-AWSAT] But the new violations, the addition of lands, and the theft of water—do they not require a call to convene an Arab summit?

[al-Husayni] Of course, and the Supreme Arab Committee, which is empowered by the Arab summit, is carrying out its duty. Also, we are busy studying a call for the UN Security Council to discuss Israel's unceasing aggression against Lebanon.

[AL-SHARQ AL-AWSAT] It is said that you, President Ilyas al-Harawi, and Dr. Salim al-Huss represent a "troika" that rules Lebanon after the Ta'if Agreement, and that you are acting as one regarding decisionmaking and the adoption of positions. This is a new development regarding government in Lebanon...



[al-Husayni] Thank God.

[AL-SHARQ AL-AWSAT] To what extent does this apply to reality?

[al-Husayni] In Lebanon, there is the principle of the division of authorities, and the balancing of, and cooperation between these authorities. Under the heading of these three matters, we believe that it is our duty to cooperate, coordinate, and mobilize energies. Institutions, not individuals, govern Lebanon.

[AL-SHARQ AL-AWSAT] Are you still involved in implementing the greater Beirut plan, which was affected by the events of al-Sharqiyah?

[al-Husayni] As everyone knows, we started a plan that provides for the determination of a safe area that extends from West Beirut to the airport. We were engaged in preparing the equipment to secure installations and the equipment needed by the Army and the internal security forces to achieve security in this safe area, and we obtained Syria's full backing. When we put the plan into effect, events in the eastern area began. This requires us to expedite preparations to include greater Beirut. This goal is under the auspices of the first plan, which, notwithstanding, became limited to West Beirut.

[AL-SHARQ AL-AWSAT] Chairman Husayn al-Husayni frequently goes to Damascus, raising many questions. How do you respond to these many questions?

[al-Husayni] I have the honor of participating and sharing in implementing a solution, which is primarily based on: a) the application of international resolutions in the south, which stipulate the withdrawal of Israeli occupation forces to international borders; b) the achievement of Lebanese-Lebanese national reconciliation, which is accomplished in the Ta'if Agreement; and c) the anchoring of Lebanese-Syrian foundations on a firm, clear, and constant base to enable Lebanon to: 1) obtain the help of Syrian capabilities to solve the Lebanese crisis; and 2) achieve the interest of the two fraternal states, of which Syria represents Lebanon's older brother. Therefore, whoever reproves me for going to Damascus frequently or rarely changes neither my plan of action nor my conviction in this regard.

[AL-SHARQ AL-AWSAT] Is it correct that Chairman Husayn al-Husayni has become the largest landowner in Ba'labakk?

[al-Husayni] I do not wish to defend myself. I believe that whoever enters public life must expect to hear rumors and accusations. Those who are making such remarks must go to the land bureaus and the local sites to ascertain my properties. I do not bear the burden of refuting the accusation.

[AL-SHARQ AL-AWSAT] It is said that you have begun to acquire holdings with the purchase of the Palmyra Hotel in Ba'labakk.

[al-Husayni] As I said, I do not wish to be responsible for refuting the claim. I do not take a position in the face of any such accusation in my public work. Whoever made such a claim deserves a disparaging smile, no more.

## SUDAN

### Government Advised To Build Strong Bureaucracy First

90AA0089B Khartoum AL-INQADH AL-WATANI  
in Arabic 30 Mar 90 p 3

[Article by Muhammad Sa'id Muhammad Sa'id: "Priorities for Action and Challenges of Leadership; Rebuilding the State To Take Precedence and To Come Before Political Organization"]

[Excerpt] [Passage omitted] The revolution proved that it is serious about treating all problems. To set up a formula for government and to solve economic, security, and other problems, the revolution held numerous conferences on education, expatriates, the problems of the women's movement, and trade and investment. In addition, it participated in a national dialogue. A comprehensive program containing all the recommendations made by the conferences must be set up so that all the efforts that have been made can yield results. This must be done so that what is being said is tied to what is being done. Then, the ministerial secretariat is to tailor and distribute these recommendations to the ministries and to central and regional units so that each ministry and each unit can consider what can be implemented and determine the means, policies, programs, and periods of time which are required to implement the recommendations. Each minister is to discuss his programs in front of the Council of Ministers so that the programs can be approved and implemented. The secretariat of the Council of Ministers is to monitor the activities of government agencies by providing monthly reports on what was accomplished, what was not accomplished, and on the obstacles and solutions and so on and so forth. Such monthly reports will ensure the effectiveness of the state's agencies and will guarantee their direct link to the public's issues.

The revolution, which is a movement of history, is striving to change a highly complex and diverse social structure by using specific, practical plans and programs to fashion a just society. The absence of a methodology for public action may have led to a confusion of ideas and to the problems we are suffering from. That is why the revolution announced a few days ago that it would establish a popular, political organization to serve as a framework for the revolution's ideas and methods. I am convinced that this is a serious step to establish a state of institutions, because changing society's basic structure requires political, economic, and social effort. It may be useful now, however, to build the state's bureaucracy network before we build its political organization. This may be done by carrying out total administrative reform and trying to stabilize constitutional, civilian, and military organizations so they can perform efficiently in the context of agreements which essentially respect the rulers' obligations to the subjects. Thus a balance can be found

between the bureaucracy of the state and that of the organization. We realize, based on our knowledge of political organizations, which were established in the world around us, and based on our past experience with the Socialist Union during the period of the May Revolution, that a weak bureaucracy means the party's domination over all aspects of life. With a weak bureaucracy a political party can make whatever changes in government it wishes to make. A state bureaucracy (civilian and military state organizations) can also strike a blow against the political organization and overthrow it.

Therefore, a balance must be found between the state's system and the organization's. The condition of the civil service today is such that it would be absolutely incapable of standing up to any organization. That is why the bureaucracy network must be strengthened so that it can keep pace with the organization which is coming our way and for which proper preparations will certainly be made. The bureaucracy network must be strengthened so that we can utilize the experiences of others as well as our own, and we can do this by respecting and making good use of what was positive about the past. A nation without a past is one without a present.

At this point all the state's central and regional executive agencies are to be revamped. This is to be done before the political organization is built, or rather, before the establishment of the political organization is announced. Efforts to make preparations for the organization are to continue at the same pace with the efforts that are being made to restructure the state's organizations. These efforts must include and must not be limited to developing specific job descriptions for the state's central and regional organizations; restructuring and stabilizing the state's institutions; identifying channels of communication; coordinating activities with various state agencies; developing job descriptions within each institution to determine clearly the duties and responsibilities of each individual; identifying channels of communication by enacting the necessary laws to regulate communications between central, regional, and local agencies; and identifying channels of communication and determining once and for all responsibilities between state agencies and the general secretariat of the Council of Ministers to facilitate monitoring and control. In addition, the administrative siege program (an experience that is uniquely Sudanese) is to continue so that the various administrative agencies can be straightened out.

### **IMF's Debt Rescheduling Viewed as Pre-Expulsion Measure**

*90AA0089A London AL-DUSTUR  
in Arabic 26 Mar 90 pp 34-35*

[Article by Salah 'Abd-al-Rahim al-Amin: "A Reprieve or a Warning?"]

[Excerpt] Colonel Salah al-Din Karar, chairman of the Economic Committee of Sudan's National Salvation Council, announced that the IMF, at its last meeting, gave

Sudan a new four-month reprieve, until the middle of next July, to implement an economic reform program to remedy its economic problems. Sudan was being granted the four-month delay to pay back part of its debt to the IMF, which amounts to 832 million special draft units (approximately \$1.2 billion). Col. Karar said that by agreeing to give Sudan a reprieve until the time the new budget is to go into effect, the IMF was expressing its confidence in the government's sound economic approach. Col. Karar stated that while the fund did make recommendations about Sudan's economic reform program, the government submitted to the fund a reform program inspired by a Sudanese view of the economic problem and the solutions to it. This reform program was submitted to the IMF for its consideration as an alternative.

Some observers here do not agree with what they consider to be the government's very optimistic evaluation of the fund's decision on Sudan. They say that giving Sudan four months to carry out the required reforms is a highly ineffective measure in the wake of the recent decision which was made by the IMF's Council of Executive Directors at their recent meeting. The council decided that the fund would send letters to its members (approximately 150 countries) and to international and regional financial institutions, as well telling them that Sudan lacked what is known as credit worthiness, that it was incapable of remedying its economic problems, and that it could not pay back its debts to the fund or its other debts. Accordingly, the fund's letter was asking these countries and institutions to take this matter into account when dealing with Sudan. The fund's letter was also asking them to apply pressure to the government to make it carry out economic reforms.

These observers think that this step by the fund is a prelude to the fund's next step, which is to be taken at the council's meeting in mid-July. If the government does not carry out the reforms which are requested by the fund, the measure which will be taken is one which the fund calls the "mandatory withdrawal" of the country in question from membership in the fund as a noncooperating country. This is diplomatic language which means expulsion from membership and which requires several months. However, the United States, which holds the largest share in the fund, had recently requested that a noncooperating country be expelled from the fund three months after the decision to consider it a noncooperating country is made.

Twenty-four countries participated in the IMF's recent meeting, which was held in Washington last February, but only two countries supported Sudan and opposed the IMF's resolutions. These two countries are Libya and Indonesia. By contrast, 12 of the 23 countries which participated in the IMF's previous meeting, which was held last November, supported Sudan. [This change] is an indication of what these countries think: They think Sudan must carry out the economic reforms which are recommended by the IMF and which do not depart from what the fund has been known to prescribe in such cases. The fund's recommendations emphasize devaluing the

nation's currency; removing restrictions on trade and prices; taking away the state's control of the economy; encouraging the private sector and turning public sector institutions over to the private sector; and reducing the budget deficit by cutting government spending, increasing taxes, and putting an end to the government's subsidy of goods.

Before the meeting Dr. Sayid Zaki, minister of finance and planning, had sent a letter to Mr. Michel Camdessus, director of the IMF. In that letter Dr. Zaki mentioned that the government was in the process of taking corrective economic steps, which, the minister said, consisted of 13 steps. The minister said that Sudan was facing many political and economic problems which the fund had to take into account. These problems include the civil war in the south, which is costing the public treasury approximately \$1 million daily. In addition, the country is providing refuge to millions of refugees, and it is dealing with the effects of drought conditions, desertification, and economic problems that were passed on to it. Some observers think that the IMF's decision to give Sudan a reprieve until mid-July to carry out these reforms was the result of the minister's letter to the director of the fund. They do think, however, that this reprieve is essentially a warning. [passage omitted]

**Flexible Credit Policy's Boost to Investment Detailed**  
*90AA0051A Khartoum AL-INQADH AL-WATANI*  
*in Arabic 12 Mar 90 p 5*

[Article: "Proposals by Director of North Bank Main Branch: Adoption of Consortia Finance for Major Agricultural Projects Outside Credit Ceilings"]

[Text] Amid current trends in the Sudanese economy, there is an urgent need to employ available capabilities represented in bank accounts to achieve favorable investment rates and a tangible increase in the country's foreign currency resources to help remedy the economy's structural imbalance. I am convinced that providing the best circumstances and factors to the banking sector to fulfill its missions has become extremely vital.

Going back a little, we find that the first credit policy was passed in 1966 and was aimed at controlling borrowing from the banking community in order to create a favorable climate for economic development. At that time, the Central Bank employed two means, an indirect one represented in raising interest rates and a direct one that involved the introduction of the credit ceiling system. Credit policies based on the credit ceiling technique then followed in succession. The main features of the credit policy now in effect comprise the following:

- Bank liquidity control.
- Exemptions and more flexible powers to promote exportation.
- Higher margins on commercial letters of credit to reduce imports to the point of setting priority and precedence for production sectors that have to be financed.

Given the current trends, the credit policy is distinct and we attribute the previous glut, not failure, to several considerations that can be summed up without going into detail, such as the lack of a clear vision at that time due to the absence of a specific strategy vis-a-vis credit. Notwithstanding the fact that in past years we have had huge foreign currency cash flows and tremendous expansion in banking units, the key feature of that period was anarchy and the failure to rationalize the independence of these cash flows. This failure has produced inflation and an expanded foreign currency black market able to influence and manipulate exchange rates, thus realizing a circulation volume much greater than accredited banks have been able to achieve. This begs the question. What were the real objectives of economic policies at that time? The fact is that the only objective that can be determined is that these policies served as a sedative to ease the commodity bottleneck, only to see it come back. All these factors put together caused the banking community structure to side with certain groups and lobbies operating within the economy, an inevitable consequence of such policies. We have also witnessed various attempts at reform, but due to the absence of a strategy, they have failed as well.

It cannot be said that the banking community has abandoned the credit rules and, just like any system of any central bank in the world, the Central Bank has its own conventions and old traditions. It follows the same restricted or free credit policy as other world banks such as the Bank of England, the Federal Reserve Bank, and even the German Reserve Bank. The Central Bank has made appreciable efforts in this regard, but given the unusual disarray, the lack of coordination and the relationship among the three markets (the foreign exchange market, the currency market, and the money market), prices are set either in the Gulf states or by currency brokers, as evidenced by the failure of numerous measures to curb currency price hikes during that time. As for the money market, namely interest rates based on the Rida System [as published], or profit margins based on the Islamic system, it has moved only slightly following a long period of inactivity. Regarding the money market, it lacked strict safeguards for the projects' financial structures. In other words, some investors who had quit their public sector positions during the nationalization process to join the private sector and a group of big businessmen and capitalists who had no experience in project organization and had switched from commerce to industry without any management experience were tainted by a burning desire to raise commercial and industrial investments, unfortunately through nonexistent investments, meaning very little capital and a lot of loans. I believe this is the main reason why many projects have been hampered and many loans have faltered. For the motive is to set up projects without any regard to results. It would have been better to consider carefully the creation of a balanced financial structure.

The economic policy is crystallizing little by little and it can be said that these policies may be outlined as follows:

- Attempts to tighten spending rates as much as possible.
- Effectuation of some sort of a downturn within the economy to put pressure on the general budget.

- Stabilization of the foreign currency market and curtailment of the negative effects of the black market.
- Concentration of the free banking market, curtailing any operations carried out outside this market and affirming its stability.

Hence, we can say that the existing policies will no doubt have an impact on the size and type of credit in the future and will also have direct influence on existing credit, because current credits were granted during a period of universal and unrestricted expansion. It is an economic fact that credit expansion, in the absence of a strategy followed by the establishment of restraints and precepts to achieve the above objectives, will inevitably raise the thermometer of credit risks. Credit officers at the Central Bank and the commercial banks ought to take this into account.

Accordingly, in order to formulate a sound investment policy amid these economic policy outlines based on our belief that investment is an economic activity that tends to augment the country's wealth, we ought to be thinking first about what kind of investment standards we want and are able to achieve, what kind of parties we could be dealing with, and how to disengage the large number of intertwined and conflicting phenomena and to formulate a flexible credit policy taking into consideration the following points as proposals:

- 1) Lower the rate of total deposits that must be held as accounts in the Central Bank from 18 to 10 percent.
- 2) Raise the credit ceilings, taking the following aspects into consideration when setting the ceiling for each bank:
  - a) Disparate sizes of active banks in terms of geographic extension-paid-up capital.
  - b) General objectives of economic policies.
  - c) Objectives of the banks themselves as banks wanting to realize profit for their shareholders on one side and as commercial, joint, or foreign banks.
  - d) The disparate types of active banks and the need to match policy with the nature of these banks, whether they are commercial or specialized, or are state-owned or joint stock concerns.
  - e) The ability to implement the required oversight for it is not the right to pass legislation and recommendations that cannot be monitored and supervised.
- 3) The current remittance and distribution process with focus on the production and export sectors. It is useful to exclude exports from credit ceilings and to institute rules and regulations that allows export financing to be used only for the purpose for which it is intended.
- 4) With full respect for all those in charge of setting credit policies and ceilings, we propose the formation of an advisory committee comprised of bank directors to look into the actual implementation of credit policies and ceilings and to

issue recommendations to be used as a basis for credit policies and ceilings in which those in charge of implementation would have at least participated in it.

In conclusion and in pursuit of the best utilization of bank deposits and greater investments, we propose that instructions pertaining to the consortia finance concept incorporated in the credit policy be tapped by financing agricultural projects outside the credit ceiling via the banks, especially since we have a lot of arable land and agricultural college graduates. This is on the condition that the project is completed, is proven a success, and is taken over by the state or the production sectors or the people involved before going on to another project. This is provided that the Ministry of Finance, in cooperation with the Ministry of Agriculture, prepare a feasibility study for such projects for submission to the bank via the Bank of Sudan with top-level guarantees to protect the depositor.

[Signed] Director of Islamic North Bank, Main Branch

## TUNISIA

### Ennahdha Spokesman Ali Laaridh Interviewed

90AA0084A Tunis LE TEMPS  
in French 16 Apr 90 pp 4-5

[Interview with Ennahdha spokesman Ali Laaridh by Mouldi M'Barek: "Laaridh on Ennahdha's Blueprint for Society"; date and place not given]

[Text] Why does the Ennahdha Movement, which signed the national pact, refuse to sit on the CSPN [High Council of the National Pact]?

How does it view the proposed amendments to the electoral code that have just been reviewed by the council of ministers? Will it participate in the municipal elections?

What is its blueprint for society? What does it think of Tunisian society?

What is its opinion on the status of women?

How does it answer the accusations made against it?

How does it react to the incidents in Algeria that were apparently instigated by the fundamentalists?

Mr. Ali Laaridh, the spokesman of the Ennahdha Movement, agreed to answer all these questions posed by TEMPS-HEBDO.

[LE TEMPS] Your movement signed the national pact, but you still refuse to sit on the CSPN. Do you believe this refusal really serves democracy?

[LAARIDH] Yes, absolutely. We are for clarity, not vagueness. Either we really commit ourselves to a certain direction, or we just sit around and debate issues in the

abstract. We are ready to make maximal concessions, if someone can prove to us that the commitment to democracy is a real one.

[LE TEMPS] What do you think about the other opposition parties that have agreed to sit on the CSPN?

[LAARIDH] We respect their decision. But their goals, fundamental principles, and interests differ from ours.

If we can be shown that the strategy adopted is serious, we will rejoin the others, but so far everything indicates the opposite.

The elections are a sham from the start. Our militants are denied the right to vote and present their candidates in the elections. In fact, our movement is still illegal and uncertified, our supporters are not inscribed on the lists of voters. Under these conditions, elections have no legitimacy.

[LE TEMPS] Do you plan to run in the municipal elections?

[LAARIDH] No. If conditions remain such as they are today, we will not participate. The conditions for fair competition between the parties have not been met. The pressures exerted on our movement, on our supporters, and on the other parties make it impossible to participate.

Naturally, we support the principle of elections, but conditions are not acceptable to us. The government is judge and participant at the same time, the mass media are spokesmen for the RCD [Constitutional Democratic Rally] party!

[LE TEMPS] What do you think about the proposed amendment to the municipal elections law, which has just been studied by the council of ministers?

[LAARIDH] Our position on the electoral code is that we stand for a total revision of the electoral code to eliminate "godfathering" (which has already been done), full proportional representation, and systematic inscription on the voter rolls of every person who has reached the minimum age.

However, the debate over the electoral code is only a part of the problem facing the country.

[LE TEMPS] So what do you think are the real problems facing the country?

[LAARIDH] The country is passing through a very delicate period. The political situation is tense, and it cannot remain so indefinitely. What we have is an impasse. Democracy and liberties are threatened.

The social situation is deteriorating, and purchasing power continues to decline.

Culturally, the Arab-Muslim identity—on the basis of which the new government has tried to legitimize its

existence—is on the verge of disintegrating. The French language is gaining ground in the educational system.

In the past, the religious education curriculum had some problems, but it was basically correct. Today they try to study all the other ideologies, such as Marxism or existentialism, to the detriment of Islamic thought.

We want to see complete arabization of this sector. All materials should be arabized. Foreign languages should only be studied as living languages. Naturally we support opening, but we must begin from the principle that we are an Arab-Muslim country.

Arabization must have higher priority than anything else. Nothing is more dangerous than cultural colonialism.

Nowadays education tries to sow seeds of doubt in young people's minds.

[LE TEMPS] Isn't doubt the foundation of Islam? Isn't El Ghazali the symbol of Islam precisely because he doubted?

[LAARIDH] We are not against reason or doubt. We are for spiritual health. Current methods are aimed at turning young people into leftists and against religion.

[LE TEMPS] What do you think about the "basic school" concept?

[LAARIDH] It is an excellent system. It means children get three more years of school. Besides, the majority of Arab countries have already gone to this system, which serves to reduce illiteracy.

[LE TEMPS] You are accused of being behind the university strikes and orchestrating a campaign against the minister of education. How do you answer those accusations?

[LAARIDH] First of all, the accusations are without foundation. Second, the university is facing some real problems: the representativeness of the student body, lamentable material conditions. We might also mention the problem of the University of Ezzeitouna, which symbolizes Tunisia's Arab-Muslim identity, and other scientific problems. I am not an expert on the details. Higher education in Tunisia is going to be fragile so long as the situation remains explosive. We are ready to make our contribution, if people make a serious effort to resolve the problems the university is experiencing. But at present our movement is giving all its support to the legitimate demands of the student movements. Of course we are against any form of violence, but the intervention of the security forces is repression.

With regard to the minister of education, we are against the policy of Charfi, the objective of which is clear: to consolidate the French language to the detriment of Arabic, and to destroy our Arab-Muslim identity.

[LE TEMPS] Can you summarize your blueprint for society?

[LAARIDH] We are a political movement that puts Islam above everything else. For us, Islam has the answer to all our socio-economic problems. We are very supportive of democracy, which offers the only feasible way to solve all the problems facing society.

In the economic domain, we are against the excesses of Marxism and capitalism. Our ideology is similar to democratic socialism. We are for private property and investment. In fact, private property is the foundation for democracy.

[LE TEMPS] Are you against bank interest? How should taxes be paid? Are you against tourism?

[LAARIDH] Taxes are a fundamental condition in Islam. Islamic scholars will ascertain all the formulae necessary to implement a taxation system consistent with the spirit of Islam.

We are against bank interest. There are Islamic banks that function very well.

Concerning tourism, we are first of all against the idea that tourism is an essential strategy.

First of all, it is a fragile economic strategy, since any little event can cause its collapse. Second, we question whether it is our only possible choice.

Why not, for example, opt for agriculture as a means of ensuring food self-sufficiency?

[LE TEMPS] Are you in favor of shutting down the bars?

[LAARIDH] Yes. A Muslim country should neither sell nor encourage the consumption of alcohol. Islamic scholars will decide whether foreign tourists can consume alcohol in a Muslim country.

[LE TEMPS] Do you want the hotels closed down?

[LAARIDH] Gradually, as we turn toward agriculture and industry.

[LE TEMPS] How are you going to find the needed investments, when even the Arab countries often prefer to invest in the hotel industry?

[LAARIDH] That is not true. We can find investments in other places besides France, Germany and the United States.

[LE TEMPS] Can you point to any Arab countries worthy of emulation?

[LAARIDH] Certain countries are moving closer to Islam, but at present none of them can be cited as a model to emulate, since Islam is not being well applied.

[LE TEMPS] What do you think about the status of women?

[LAARIDH] First of all, don't tell me the status quo is satisfactory. It needs to be re-examined and discussed by sociologists, Islamic scholars, jurists. Then we will see its advantages and disadvantages.

[LE TEMPS] Do you believe men and women are equal in principle?

[LAARIDH] Of course. Has Islam ever been against equality?

[LE TEMPS] Are you in favor of women's liberation?

[LAARIDH] As a principle, yes, but within the context of the family it may be a different matter.

[LE TEMPS] But you just said you believed men and women should be equal?

[LAARIDH] Yes, but Islamic jurists will determine under what conditions.

[LE TEMPS] Should a woman be able to have a passport and travel alone?

[LAARIDH] Islamic jurists and scholars will determine the conditions.

[LE TEMPS] And what if the Islamic jurists disallow that right?

[LAARIDH] We will abide by the dictates of Islam, regardless of how others may seek to distort it.

[LE TEMPS] Do you think the wearing of the veil should be obligatory?

[LAARIDH] Yes; the women who do not wear it are Muslims who are committing sins. In male-female relations, we are for spontaneity. We are against a "regimented" society, but we are also against a corrupted society. We support wholesome conduct.

[LE TEMPS] What do you mean by wholesome conduct?

[LAARIDH] The conduct prescribed for people in a Muslim society.

[LE TEMPS] Your movement is often accused of not being very democratic. What is your response?

[LAARIDH] People always try to make us the scapegoat for all kinds of problems. If there is any democratic movement which has remained true to its values and never betrayed them, it is ours. It is our accusers who are not very democratic.

[LE TEMPS] Are you against family planning?

[LAARIDH] Yes, I am against family planning. Tunisia has no need of it. Nevertheless, if it is for public health purposes, it does not pose a problem.

[LE TEMPS] There is talk about secret contacts between your movement and various leftist movements. Is there any truth to it?

[LAARIDH] Yes, we have had contacts with the MDS [Movement of Social Democrats], Mr Ahmed Ben Salah's MUP [Popular Unity Movement], and other opposition parties.

[LE TEMPS] Could you form alliances with other parties for the municipal elections?

[LAARIDH] First of all, as of now we are not going to participate in the municipals; second, we are ready to form alliances with all parties which are not our enemies on the religious issue.

[LE TEMPS] What do you think of the incidents in Algeria, which seem to have been instigated by fundamentalists?

[LAARIDH] This is all a campaign orchestrated by the Tunisian media in an effort to smear our movement. Moreover, one gets a very different account of those events from the Algerian media.

[LE TEMPS] But all the media, Algerian as well as international, are saying the Algerian fundamentalists were the instigators.

[LAARIDH] That is not true. Naturally the Tunisian media are content to parrot French news accounts, which are very anti-Islamic. The Algerian Islamic front does excellent things which the Tunisian media do not report. If the Algerian fundamentalists are doing bad things, we will be prepared to denounce them. We are not complacent.

## UNITED ARAB EMIRATES

### Competition Between Ports Expected to Increase

90E0016A London AL-SHARQ AL-AWSAT  
in Arabic 2 Apr 90 p 9

[Text] Abu-Dhabi—The Customs Department in Abu-Dhabi yesterday began implementing a new system of levying customs dues that is expected to revive competition between the many United Arab Emirate [UAE] ports. Moreover, neighboring Gulf states might see this as being in contradiction with the unified customs tariff agreed upon within the GCC [Gulf Corporation Council] framework and was fixed at a maximum of four percent.

According to the new system, Abu-Dhabi Customs Department extends a 90-day grace period [for payment of customs charges] from the date a consignment subject to customs charges and fees, such as storage and handling, is cleared.

All establishments and companies importing through Abu-Dhabi ports benefit from this grace period regardless of their nationality. No guarantees of payment are required from these establishments. According to Ghayth Khalfan al-Muhayrabi, head of the Customs Department, "The department does not ask for any financial guarantees, such as binding bank guarantees, or any banking measures that might delay completion of

customs formalities during the guarantee period, and, in offering these facilities, the department relies on trust in the importer".

Despite the fact that trust is the basis for collecting customs dues which importers might have to pay as a result of implementing the new system, the importer fills a form in which he undertakes to pay customs fees within the grace period. He also authorizes a bank operating in Abu-Dhabi to pay the customs dues upon request without referring back to the importer.

"This system," according to al-Muhayrabi, "is selective since the department specifies those benefiting from it. For its application is limited to those worthy of the department's trust."

Despite the fact that the aim of implementing the new system, as stated in the preamble, is to lighten the financial burdens on importers and to offer them facilities to clear their goods first, and pay the fees and complete the financial and administrative transactions later. The basic objective of this is, in fact, to encourage importing through the ports of the Abu-Dhabi Emirate.

According to local economic sources, the Abu-Dhabi Emirate took this step in conformity with similar steps taken by port authorities in other emirates under which they reduced the customs burden on importers to the minimum in order to induce them to use the ports of those emirates.

The sources say that officially and legally none of the UAE ports is violating the Gulf customs tariff agreement obliging member states to levy minimum four percent charges, but in practice certain local ports offer facilities of great flexibility by levying fees much lower than those quoted in the rules and regulations.

For example, some of the major ports in the UAE collect fees not exceeding one percent. In the meantime, an endorsement in the fees receipt says that this is a first payment of the fees due, but in fact the balance of these fees is not collected later.

Similarly, other ports as a matter of "courtesy" issue receipts of customs fees collected, while in fact they received no amounts of money equivalent to the tariffs provided for by the rules and regulations.

The fact that some of the UAE ports implement the customs laws in this manner is not because of fear of violating the Gulf customs agreement, but just in order to comply with a resolution by the Higher Federation Council obliging the local authorities to levy no less than four percent customs fees, as these authorities officially cannot violate decisions of the state's highest authority. But in reality, they circumvent them in different ways that outwardly at least do not appear to be in violation of the law. Khalfan Gayth al-Muhayrabi affirms that the facilities granted to merchants and importers to pay customs fees under no circumstances mean the abolition of customs dues or a step into this direction. The whole

thing is "no more than an administrative step aimed at promoting imports via Abu-Dhabi and facilitating transactions for importers."

This system, he added, was the result of a field study that lasted 18 months, during which views of merchants and importers were sought regarding customs difficulties and the problems they are facing.

There is no way, he stressed, that merchants will be exempted from customs charges because they sign payment pledges. These pledges are adequate due to the fact that importers are basically trustworthy and have interests and businesses that they would not wish to harm or to undermine trust in them simply for the sake of obtaining a customs exemption.

It is worth noting that the unified GCC customs tariff was one of the first steps agreed upon by the GCC countries, but the UAE had asked for time before implementing it in order to give the individual emirates the opportunity to deal with the question of competition between the various ports, competition based on reducing or abolishing customs dues on imported goods.

#### **Volume of Investments Increase in al-Shariqah**

*90AE0016B Manama AKHBAR AL-KHALIJ  
in Arabic 24 Mar 90 p 6*

[Text] Al-Shariqah—WAKHA—The flow of joint Gulf and Arab economic investment in al-Shariqah has shown a remarkable increase in the volume of Arab and Gulf participation in investment companies with capital exceeding 100,000 dirhams. From 1975 to 1989, the number of these companies increased to 1,601 and capital invested in them has totalled 2,336,400,000 dirhams.

According to al-Shariqah Economic Department data, the majority of investments of this type belong to Gulf and Arab investors, with some local citizens investing in the economic establishments. Gulf participation in Arab investment companies in the UAE [United Arab Emirates] subject of the study has totalled 996 million

dirhams, representing 43 percent of the invested capital. This is followed by Arab participation totalling 805.3 million dirhams, representing 34 percent of these companies' capital, while citizens' participation represented 23 percent, that is 535.1 million dirhams.

The Department's data shows that activities of the Arab Gulf joint investment companies are centered on commerce, with the number of companies operating in this sector totalling 952 companies and establishments in which investments totalled 685.5 million dirhams. Gulf participation totalled 177.4 million dirhams, representing 26 percent of the total capital invested in them, with Arab participation totalling 320.8 million dirhams.

The number of investment companies operating in the field of commerce and contracting in the Emirate has reached 233 companies, with a total invested capital of 344.5 million dirhams. The amount of Gulf participation in them totalled 50.9 million dirhams, representing 15 percent of the total capital, while Arab participation totalled 188.7 millions, and the amount of local citizens' participation about 105 million dirhams, representing 30 percent of their total capital.

The number of Arab investment companies operating in the fields of both industry and commerce in al-Shariqah has reached 201 companies in which capital invested in them totalled 389.2 million dirhams. Gulf participation in them represents 48 percent, that is, 186.4 million dirhams, while the value of the Arab participation is 86.4 million dirhams, with citizens' participation in them totalling 116.4 million dirhams [as published].

The number of Arab investment companies in the services field has reached 215 million dirhams with the capital invested in them totalling 917.1 million dirhams. Gulf participation in them totalled 581.4 million dirhams, representing 63 percent of investments in this sector. Arab participation in these companies totalled 209.2 million dirhams.

The study says that the number of individually-owned investment companies and establishments has reached 45 with a total capital of 81.9 million dirhams, in which Gulf participation in them totalled 81.7 million dirhams.



**BANGLADESH****Ershad Visit to PRC May Take Place in June**

46001476 Dhaka THE BANGLADESH OBSERVER  
in English 12 Apr 90 p 1

[Text] President Hussain Muhammad Ershad is likely to pay a state visit to China sometime in June next, reports UNB.

The President's visit is in response to the invitation extended by Chinese Prime Minister Li Peng during his last November visit to Bangladesh, a Foreign Office spokesman told UNB on Wednesday.

The main objective of the visit is to further strengthen the existing bonds of friendship between the two countries, the spokesman added.

Details of the tour are being finalised through mutual consultations, he said.

It will be President Ershad's second state visit to China.

**Ershad Approves Plan for Reorganization of Police**

46001469 Dhaka THE BANGLADESH OBSERVER  
in English 30 Mar 90 pp 1, 10

[Text] President Hussain Muhammad Ershad on Thursday approved the final phase of proposals for restructuring, re-organisation, reform and modernisation of the entire Bangladesh Police Force, reports BSS.

The President gave the approval to the proposals at the President's Secretariat in Dhaka in the presence of Home Minister Major General (Retd) Mahmudul Hasan, Home Secretary Azimuddin Ahmed, Inspector General of Police Tayeb Uddin Ahmed and other members of the Implementation Committee.

The approved re-structuring and modernisation of the police force will involve improvement of range police force, upgradation of existing thanas and establishment of a police out post for every two unions to remove the present imbalance.

The reorganisation plan included setting up of police forces intelligence, improvement of the present CID [Criminal Investigation Department], Special Branch, DMP [Dhaka Metropolitan Police], CMP [Chittagong Metropolitan Police], KMP [Karachi Metropolitan Police?] and setting up of a Metropolitan Police for Rajshahi. Highway and river police, presently in moribund state, will be upgraded and expanded to make them both effective.

The approved reorganisation plan will be implemented during the fourth five-year plan period beginning from July this year.

The President had earlier given approval to the first phase of the plan involving re-organisation of the police

headquarter by inclusion of a training wing and re-organisation and improvement of the zonal police training schools which is now under implementation.

**Paper Reports Visit of Soviet Communist Delegation****Arrival in Dhaka**

46001475 Dhaka THE BANGLADESH OBSERVER  
in English 10 Apr 90 p 10

[Text] A two-member delegation of the Communist Party of the Soviet Union [CPSU] arrived in Dhaka on Monday afternoon at the invitation of the Communist Party of Bangladesh (CPB), reports UNB.

During their week-long stay in Bangladesh, the delegation will meet Prime Minister Kazi Zafar Ahmed and leaders of the major opposition political parties, CPB sources said.

The meeting with the Prime Minister is scheduled for 14 April, they said. They are also expected to call on Jatiya Party Secretary General Shah Moazzem Hossain on the same day.

The delegation will meet Awami League chief Sheikh Hasina on 11 April, and BNP [Bangladesh National Party] chairperson Khaleda Zia on the following day.

The delegation is being led by A.S. Kamayer, second secretary of the Bylorussian Communist Party and an alternate member of the CPSU Central Committee. The other member is F.N. Yorlov of the international department of the CPSU.

On arrival the delegation was greeted at the airport by CPB General Secretary Saifuddin Ahmed Manik.

The CPSU leaders will visit the National Memorial at Savar today (Tuesday) and place floral wreaths to pay respect to the martyrs of the Liberation War.

Party sources said during the visit the Soviet Communist leaders would explain to the CPB and other political parties the ideological and political changes sweeping the Soviet Union, and elsewhere in the communist world.

They would also try to ascertain the views of the people in the region on the changes pioneered by Soviet President Mikhail Gorbachev since the mid-80s, the sources said.

**Visit With Hasina**

46001475 Dhaka THE BANGLADESH OBSERVER  
in English 12 Apr 90 p 1

[Text] A two-member Soviet Communist Party delegation called on Awami League President Sheikh Hasina Wednesday morning at the "Bangabandhu Bhaban" and exchanged views on national and international issues, reports BSS.

The delegation, comprising A.S. Kamaye and F.N. Eorlovv, also visited the office of the Bangladesher Communist Party (CPB) in the afternoon and held a meeting with the CPB members there.

A party Press release said the CPB was represented in the meeting by Messrs Saifuddin Ahmed Manik, Nurul Islam, Ajoy Roy and Dr Sarwar Ali.

They discussed issues both of national and international importance.

### **Five 'Unnecessary' Government Offices To Close**

46001472A Dhaka *THE BANGLADESH OBSERVER*  
in English 6 Apr 90 pp 1, 10

[Text] The Government has decided to abolish five of its organisations after being judged unnecessary, reports UNB.

The organisations are: (1) Defence Science Organisation (2) Railway Recruitment Bureau, (3) Office of the Transportation Coordination Committee of the Railways, (4) District Gazetteer Office and (5) Staff Training Institute under the Ministry of Establishment.

The decision came on Thursday at a meeting under the chairmanship of President Hussain Mohammad Ershad at the president's Secretariat on recommendations of the Muyeed Committee report.

The meeting also decided to merge the Copyright Office with National Archives and National Library.

It also decided to reduce the number of staff of the district level offices of the postal department.

The meeting, second to review and examine the Muyeed Committee report was attended, among others, by Telegraph and Telephone Minister Kazi Feroj Rashid, State Minister for Cultural Affairs Syed Deeder Bakht, Principal Secretary to the President A. H. Siddique, Cabinet Secretary M. K. Anwar and Establishment secretary K. M. Rabbani.

It also decided that with the abolition of the Staff Training Institute, its class three and class four employees would be trained by the newly strengthened Regional Public Administration Training Centres through peripatetic method. Proper curriculum for the purpose would be developed by the Establishment Ministry.

Unofficial estimate show more than three thousand officials will be affected by abolition of the five government organisations.

"Most of them will be absorbed in other Government offices", a senior official later told UNB.

Headed by Abdul Muyeed Chowdhury, the five-member committee was set up in March 1989. The committee submitted its reports in July same year.

In suggested ways and means to increase the efficiency and streamline the functioning of various Government department and offices.

The Committee was also entrusted with the responsibility of examining the relevance of the existence of some government departments and offices and report to the President whether those departments should be abolished, merged with other department or reduce their sizes.

### **Muslim League Standing Committee Discusses Polls**

46001464A Dhaka *THE BANGLADESH OBSERVER*  
in English 31 Mar 90 p 1

[Text] Muslim League on Friday urged all forces unholding Bangladeshi nationalism to converge on a single platform on the basis of a minimum agreed programme in view of the outcome of upazila elections, reports UNB.

The party at its Standing Committee meeting described the just- concluded upazila polls as the "first step towards implementing a blueprint to elevate the leader of a party to premiership".

Expressing grave concern over the repressions on the Kashmir Muslims struggling for freedom, the meeting urged the Muslim Ummah to make efforts for solving the issue through a plebiscite under the UN resolutions.

Presided over by party chief Kazi Abdul Kader, the meeting was addressed by Ayenuddin, M. A. Hannan, Ibrahim Hossain, Jamir Ali, Amanullah Chowdhury and A. F. M. Harunur Rashid.

### **Communist Party Criticizes Economic Policy**

46001463A Dhaka *THE BANGLADESH OBSERVER*  
in English 5 Apr 90 p 1

[Text] The central secretariat of the Communist Party of Bangladesh (CPB) has accused the government of pushing the country towards economic, bankruptcy through pursuing, what it called, wrong and irresponsible economic policies.

The central secretariat of CPB in a statement issued on Wednesday strongly criticised the government for terms economic crisis as not alarming in spite of the serious concern expressed by the World Bank donor agencies and countries.

The Communist Party of Bangladesh held the government responsible for increasing expenditure in administrative sector and unproductive fields and for failure to achieve the target of revenue earning and flight of capital through unspecified imports by over and under invoicing. Corruption in different spheres of the administration also contributed to the dwindling economic situation under the present regime, the party alleged.

The Communist Party of Bangladesh condemned the government for accelerating the sufferings of the people specially in the month of Ramzan by raising the prices of different essentials including onion, soybean oil in the name of enhancing revenue collection.

### **Paper Gives Details of Barter Protocol With USSR**

46001470A Dhaka THE BANGLADESH OBSERVER  
in English 2 Apr 90 p 7

[Text] Bangladesh and the USSR signed barter protocol No 19 on March 28 in Moscow, an official handout said in Dhaka on Sunday, reports BSS.

The barter protocol stipulates eachway exchange of goods worth about 20 million pound sterling. Barter protocol no 18 for the preceding year stipulated 18 million pound sterling exchange of goods eachway.

The exports from Bangladesh under provision of the barter protocol include raw, jute cloth jute bags jute yarn crust semi finished and finished leather loose tea books and periodicals readymade garments detergent power, cosmetics and toiletries tooth paste, telephone and electric cables soap paints towels electronics and ceramics, export of tobacco detergent, powder electronics and cermanics has been included in this protocol for the first time. The items to be imported under this protocol include machinery equipment including spare parts steel rolls tyre and tubes raw cotton, high speed diesel, books and periodicals, cinemaatoraphic films and pig iron. [paragraph as published]

Mr M. Mokammel Haque Secretary Ministry of Commerce of Bangladesh and Mr Vladimir Mikolayvich Burmistrov Deputy Minister for Foreign Economic Relations of the USSR signed the protocol on behalf of their respective governments.

Following signing of the barter protocol, Commerce Secretary Mr M. Mokammel Haque expressed the hope that both sides would make concerted endeavours to fully implement the barter protocol. Soviet Deputy Minister Mr Vladimir Nikolayevich Burmistrov reciprocated the feelings of the Bangladesh Commerce Secretary and assured that his Government would also take all steps to fully implement the barter protocol.

### **Correspondent on Political Polarization in Chittagong**

46001465A Dhaka THE BANGLADESH OBSERVER  
in English 2 Apr 90 pp 1, 10

[Text] A new political polarisation has started in the three districts of Chittagong Hill Tracts (CHT) after the district council polls.

The three chairman of Bandarban, Rangamati and Khagrachari district councils who were elected in July last expressed the idea that the formation of the councils

was the outcome of the willingness of the Government to improve the lot of the tribal population.

While talking to newsmen from Dhaka who visited these districts, the chairman told that the people of their districts have now identified the members of the outlawed Shanti Bahini as "common enemies" "because they Shanti Bahini now kill both tribals and non-tribals without any discrimination."

Mr Samiran Dewan, Chairman of Khagrachari District Council and that the rights of the people had been established and the frustration among the tribal ended after the polls. He said that so far 18,862 refugees returned to the country from across the Indian borders. The number of refugees was roughly 29,000 since 1986. The refugees crossed the borders when the Shanti Bahini intensified their insurgency in CHT. The number of returnees was 8000 till District Council polls and 10,862 after the polls. Mr Dewan added.

The Chairman further informed that the returnees were being provided with 21 k.g.'s of rice per family per week. Each family would also be provided with five acres of land meanwhile necessary land demarcation survey has been conducted by the concerned department for the Government, Mr Dewan stated.

With the implementation of development programmes tribal people have easy access to education. Mr Dewan mentioned that taka two crore had been allocated for the implementation of the development work for the year 1989-90. Besides Taka 60 crore project had been undertaken for carrying out the relief and rehabilitation work in his district.

The population of Khagrachari is 3,00,218 of which non-tribals constitute 36 percent. The total population is dominated by Chakma tribes. The district consists of eight upazilas and it is a foodsurplus district. Agriculture is the mainstay of economy and the district has three crops per year.

The Khagrachari District Council body consists of 30 members of which nine are non-tribals. The Chairman elected from among the tribals.

The members of the outlawed Shanti Bahini apprehended and surrendered since July 1989 are-armed cadre officers 3 and others 63 and political cadre officers 4 and others 51.

A total of 233 Bangalees were killed and 150 injured in Khagrachari in 1986. Seventy one Bangalees were killed and 42 injured in 1987, while 72 Bangalees were killed and 63 injured in 1988 and in 1989 20 Bangalees were killed and 16 injured by the members of the outlawed Shanti Bahini.

The members of the armed forces during operations recovered huge quantity of arms and ammunition from the members of the outlawed Shanti Bahini.

Mr Samiran Dewan further informed that Bangladesh Government in its peace move held dialogue with the members of the Shanti Bahini in Santigram village in Tripura on several occasions. But those talks produced no results, he added. He opined that the talks always failed as the Indian Government created pressure on the members of the outlawed Shanti Bahini to carry out insurgency activities inside Bangladesh with a view to achieving its (India's) cherished desire, he added.

He further added that about 26 thousand Bangalees were now living in the Guccha (cluster) villages in Khagrachari district where they were being provided with 10 1/2 Kgs. of rice to each family per week under food and work programme.

## INDIA

### **Singh Addresses Economic Forum, Engineering Group**

46001489 Calcutta *THE TELEGRAPH*  
in English 10 Apr 90 p 8

[Text] New Delhi, April 9 (UNI): The Prime Minister, Mr V.P. Singh, today ruled out an open door policy on foreign investments but promised some liberalisation including automatic approval to projects with less than 40 percent foreign equity, to make the country more attractive to investors.

Addressing the national meeting on India organised by the World Economic Forum (WEF) and the Confederation of Engineering Industry (CEI) here, Mr Singh said though India welcomed foreign investment the government would continue to be selective about areas in which it would be permitted. "There are some areas in which foreign investment is not necessary but there are large areas where it is welcome," he noted, adding that the government's policy in this respect would be made more transparent and such areas properly identified.

In his first interaction with representatives of business and industry after assuming office, the Prime Minister stated that though there was a 40 percent equity limit on most such investments, higher ceilings could be considered in high technology and export-oriented ventures.

He told the industrialists and businessmen that the foreign investment inflow into India was still much smaller than what the country's economy could absorb.

According to him, special consideration would be shown to projects which had large export potential.

Replying to a question, Mr Singh pointed out that India's volume of exports and foreign exchange earnings from them were the constraints which limited its capacity to absorb foreign investment.

He stressed the fact that though all profits from such investment were repatriated in dollars, India had never defaulted on its commitments in this regard.

According to him, all those who wish to invest in India must share the constraints of the country's economy and the responsibility to increase exports.

To another question on whether the rupee would be made a convertible currency, Mr Singh said there was no such proposal at present because the existing system of linking it to a basket of currencies had worked well.

Mr Singh remarked that India intended to fully participate in the process of globalisation of technology and investment, recognising that foreign investment could help in the modernisation of the country's industry and make its products more competitive in the international markets. He also said the government's emphasis would, however, be on promoting the production of items of mass consumption.

Mr Singh mentioned that the new government's approach to economic policy was based on its assessment of the country's economy as it stood on the threshold of the nineties.

He said the government aimed at a broad-based increase in rural income, essential not only for eliminating poverty but also for providing the industry with new markets.

It was in this context that the government had decided to allocate more resources for agriculture and rural development without neglecting industry, he stated.

Mr Singh also said the government would pay special attention to agro-processing industries to generate more non-agricultural employment in the rural areas.

The Prime Minister said the policies of the government were aimed at ensuring competition and sustaining the export drive. Efforts would be made to reduce bureaucratic controls and simplify licensing procedures, he noted.

Discretionary controls would be done away with and non-discretionary controls introduced through devices like soft loans from financial institutions in priority areas, he said.

Mr Singh stated that steps were also being taken to strengthen the capital market, including the granting of statutory status to the securities and exchange board.

Pointing out that the balance of payments position was worrying and that India's debt service burden increasing, Mr Singh said it was essential to keep commercial borrowings at a prudent level.

The Prime Minister observed that India had averaged a growth rate of 5.3 percent during the eighties, more than all the developing countries put together. This growth rate had to be stepped up further with a wider distribution of benefits, he said.

Mr Singh ruled out the dismantling of the public sector, saying it had played a useful role in indigenisation and the creation of a modern infrastructure.

The former French Prime Minister, Mr Raymond Barre, who chaired the meeting, said obstacles in the path of entrepreneurs should be eliminated and financial discipline should be eliminated. He also called for more incentives for savings.

### Paper Reports on Prime Minister's Amritsar Visit

#### 13 Apr Speech

46001478 Madras *THE HINDU*  
in English 14 Apr 90 p 1

[Excerpt] Amritsar, April 13—Stating that ballot and bullet cannot go together, the Prime Minister, Mr. V.P. Singh, today gave a loud enough signal to Akali politicians and the militants that the National Front Government's first priority in Punjab was peace and normality and elections would come only later.

He was presiding over a rally here of all political parties of Punjab except the Congress(I) and the Akali Dal (Mann). The rally was organised to pay homage to thousands of martyrs of Jallianwalabagh, who were brutally massacred by British troops on this very day 71 years ago (The troops were under the command of General Dyer at a time when Punjab was placed under martial law owing to the going agitation against the Rowlatt Act under Gandhi's leadership).

The Prime Minister, who was the last speaker at the rally, said "I again appeal for peace in Punjab. We want to hold elections here, but let me make one thing amply clear: prior to that, an atmosphere of justice and democracy will have to be built here."

#### Widows' Pension Raised

Expressing his hope that there would not be any more widows in Punjab, the Prime Minister announced that the monthly pension for widows of the terrorists and their victims would be raised from Rs. 400 to Rs. 1,000 on the pattern of the grant to widows of 1984 riots in Delhi and the ex-gratia amount for them would be hiked from Rs. 20,000 to Rs. 50,000.

Mr. Singh recalled his visit to Amritsar on December 7 when he prayed for peace in the Golden Temple. He wondered why his prayer had not been answered. He recounted all the steps taken by the National Front Government in response to the demands made by Punjabis at the all-party rallies. He regretted the absence of a positive response from "the other side." Rather, the situation had worsened after the positive gestures of his Government.

The Prime Minister disclosed that the authorities responsible for his security had warned him yesterday against visiting Amritsar today. They apprehended a bomb attack on him. But his reply was that a Prime

Minister should be ready to lay down his life for peace in the country or any part of it, especially in the land of Mahatma Gandhi who made the supreme sacrifice to remove communal hatred.

Referring to the sacrifices made by Punjabis, Mr. V.P. Singh said, "The entire country belongs to you. Its borders are not limited to those of political Punjab. Why do you want to reduce its size? Mr. Singh pointed to the ominous signals from Pakistan. He said some people living there wanted to disturb the communal harmony of our country." We must tell them that we shall frustrate their plans with all our might. I know the murders here are at the instigation of those living across the border. Our intelligence agencies have intercepted their instructions for communalising the situation in Punjab and Kashmir. I am confident you will rise like one man to counter any attack from Pakistan," he added. [passage omitted]

#### Remarks to Newsmen

46001478 Madras *THE HINDU*  
in English 14 Apr 90 p 9

[Text] New Delhi, April 13—The Prime Minister, Mr. V.P. Singh, today ruled out talks with Pakistan on the Kashmir issue as long as it continued its support to insurgents operating in India.

"What kind of dialogue can you have when they are using insurgency against us and freely supplying drugs and finances to terrorists," he asked.

Talking to reporters aboard a special Indian Air Force aircraft on his way back from Amritsar, Mr. Singh said India had successfully conveyed to the international community that Pakistan had clear territorial ambitions with regard to some parts of India.

"You can rest assured that Kashmir will remain with India—both the land and the people," he said.

The Prime Minister said if Pakistan were keen on a dialogue with India, it should stop aiding and abetting secessionist activities and put an end to the border-crossing by large number of people.

Mr. Singh said the efforts of the Government in Kashmir were to open up and maintain contacts with the people and firmly establish administrative control. Both had to go on simultaneously, he said.

State Government's decision: Deeply regretting the killings of the Kashmir University Vice-Chancellor, Mushir-ul-Haq, his aide, Abdul Ghani and the HMT [Hindustan Machine Tools] general manager in Srinagar, H.L. Khera, by their abductors, Mr. Singh said the decision not to set free any terrorist to secure their release was taken by the State administration.

"We tried our best to recover them from the kidnapers through searches and other measures," but they became martyrs to the cause of the country," he said. Mr. Singh

said the administration had some "good successes" in the efforts to nab the killers through searches.

The Prime Minister said the battle against terrorism was a long-drawn affair everywhere in the world. Through attacks on selected and general targets, terrorists aimed at crippling the democratic process and creating anger even among those who supported the Government, he said.

"The Government is caught in a pincer," he said, pointing out that terrorist violence was stepped up whenever the situation improved a bit.

He said Pakistani agencies aiding militants in India had sent out clear instructions to communalise the situation. "Such designs must be exposed so that the people don't fall into the trap," he said.

The people must be psychologically prepared to meet such challenges. The terrorists must get a clear message that their efforts would never succeed, he said.

Human rights angle: In such situations, Mr. Singh said the human rights angle must also be monitored closely because any trespasses in this regard would only help the terrorists expand their mass base.

The Prime Minister expressed great satisfaction with the response to his visit to Amritsar today. He regretted that he could not mix freely with the people because of security considerations.

Mr. Singh said the fact that Mr. Simranjit Singh Mann had attended the recent meeting of the National Integration Council was a "step forward," inasmuch as he had committed himself to work within the framework of the Constitution.

The Prime Minister said he planned to visit the rural areas of Punjab soon to reach out to the people in the villages.

Pakistan had recently moved its radars close to the border and made its airfields on the front operational. There was also the red alert sounded by it a few days ago, he said.—UNI

#### **Pakistan Warned on Kashmir Religious Campaign**

46001495 Madras *THE HINDU*  
in English 5 Apr 90 p 9

[Article by K. K. Katyal]

[Text] New Delhi, April 4. India today warned Pakistan that the bid to build up religious fanaticism on Kashmir, along with the continued supply of arms to terrorists, would have serious consequences for it and for peace and stability in the region.

The warning—obviously prompted by the recent statements of the Pakistani Prime Minister, Ms Benazir Bhutto, and the disinformation spread by the officials there—was conveyed by a Foreign Office spokesman.

Using unusually strong words, he said: "The mix of religious fundamentalism, terrorism and fanaticism that it was building up with its religious-oriented propaganda, arms supplies, training of terrorists and smuggling of both material and men could have extremely serious consequences for it and for peace and stability in our region." He called upon Pakistan to stop forthwith the campaign of disinformation and distortion on the 'influx of refugees' into the Pakistan-occupied Kashmir.

Simultaneously, the spokesman took exception to the "biased" statements by the Government leaders and public figures in Iran, which constituted an unwarranted interference in India's internal affairs.

The Indian government, till now, played down Iran's stand on Kashmir, because of the indications that Tehran would have second thoughts. Breaking the official silence on the subject, the spokesman regretted that statements based on incorrect appreciation of developments in Kashmir were indicative of a bias. This, he said, could affect trust and understanding in the bilateral field.

#### **Rajiv Gandhi Addresses Congress-I Committee**

46001487 Calcutta *THE TELEGRAPH*  
in English 8 Apr 90 p 1

[Text] New Delhi, April 7—The Congress(I) president, Mr Rajiv Gandhi, said today that procedural formalities for holding organisational elections to the Congress(I) would be completed by December and the party would emerge once again as a truly democratic one with the culture of debate and dialogue revived.

However, there would not be any compromise on the question of party discipline and even senior leaders would not be spared if they were found violating party discipline.

In his valedictory address to the two-day meeting of the party working committee attended by about 300 members, Mr Gandhi said he felt that elections (after a gap of 18 years) had become necessary for a "strong party organisation and I am in favor of it."

He said a rough electoral schedule would be worked out by the working committee next week and the membership drive would begin at once.

Kashmir situation: Mr Gandhi began his speech after playing a video cassette of the Pakistan Prime Minister, Ms Benazir Bhutto's recent speech in which she had incited the Kashmiris to "open fire" for "freedom."

He said Ms Bhutto's speech showed clearly that Pakistan no longer wished to honour the Shimla accord. It is time "we took an appropriate stand," he said, adding that the V.P. Singh government's "vaccillation raises serious doubt as to whether this government has the guts or decision-making capability on such a serious issue."

Mr Gandhi said, "Till four months ago, Pakistan did not have the courage to say such things. What has given her (Benazir) this courage now?"

He said Ms Bhutto had repeated her father's threat of a 1,000-year war with India. There could be a 1,000-year war, but Kashmir would remain an integral part of India, he said adding, "I would like to see India take the lead to prove it and not vacillate." The government, he said, had promised action a month ago, when the all-party delegation had visited Kashmir, but nothing had been done so far.

Mr Gandhi said the party should recognise the fact that the greatest threat facing the nation was communalism. [as printed] He said he had appointed Mr Chandrajit Yadav to head a preparatory committee to coordinate with the maximum number of political parties at the national level to fight the threat. The shadow of the BJP [Bharatiya Janata Party] chasing the government had further increased the threat, he added.

Mr Gandhi said while debate and dialogue were required, he was not happy with some senior leaders of the party who came to Delhi from their states without trying to sort out infighting in the state units.

#### **Pune Center Develops Multipurpose Computer**

*46001518 New Delhi PATRIOT  
in English 19 Mar 90 p 9*

[Text] Pune, March 18 (PTI)—In what may be described as a 'revolution in information technology', the Center for Development of Advanced Computing (C-DAC) here, has developed a highly sophisticated multi-purpose computer hardware-cum-software that enables transliteration of any matter from one script to any other script.

The system, termed "Graphics and Intelligence-Based Script Technology' (GIST), allows all existing software packages like D-Base and Wordstar to be used with any script. This means that what one could do in English on a personal computer (PC) can now be done in any other language in the world.

A group of GIST experts of the C-DAC said presently, the GIST provides for automatic transliteration among all Indian scripts and even the Roman script. The Indian scripts included Devnagari (for Hindi, Marathi and Sanskrit languages), Punjabi, Gujarati, Bengali, Assamese, Oriya, Tamil, Telugu, Malayalam and Kannada. The experts said all these scripts had evolved from the ancient Brahmi script.

Recently, the C-DAC scientists working on the GIST also brought Persian-Arabic scripts like Urdu, Sindhi and Kashmiri within the fold of the GIST.

The GIST allows direct interaction between any language and computer. Additionally, since all Indian scripts have a common phonetic base, the same keyboard of the PC caters to needs of all scripts and one can

enter any matter directly in Tamil on the PC and obtain its conversion into Assamese script.

This facility could be useful in providing all kind of statistics like reservation charts, railway timetables, bank challans, land records and so on, which were required by the common man in his own native language and script.

The experts claimed that by using GIST, one could also write programmes in any computer language like Cobol, Basic Pascal in the desired Indian language.

All PCS contained a few free slots, called general purpose slots, in their Central Processing Units (CPU). Just by inserting the GIST plug-in-card into a PC, the PC could be upgraded for using the GIST technology.

Work on GIST started way back in 1983 as a sponsored project from department of electronics at IIT, Kanpur, from October 1988, the GIST project was adopted by the C-DAC as one of its sub-missions.

The C-DAC has organized a meeting of industry representatives on March 20 here to demonstrate the finished product. According to C-DAC sources, the GIST will formally be transferred to industry on March 27.

## **IRAN**

#### **New Appointments Announced**

*90AS0033D Tehran KEYHAN-E HAVA'I  
in Persian 11 Apr 90 p 4*

[Text] Based on the proposal of Dr. 'Ali Akbar Velayati, the minister of foreign affairs, and the approval of Hojjat ol-Islam Hashemi-Rafsanjani, the president of the Islamic Republic of Iran, Ahmad Saraj-Zadeh, ambassador of the Islamic Republic of Iran to Venezuela, was appointed as the accredited ambassador of the Islamic Republic of Iran to Guyana.

Following a personnel action by Engineer Zangeneh, minister of energy, Mohammad Keyhani was appointed as the managing director of the Satkab Commercial Services Company.

#### **Commerce Minister on Potato, Other Shortages**

*90AS0020A Tehran RESALAT  
in Persian 17 Mar 90 p 11*

[Text] Economic Department—Mr. Vahaji, the minister of commerce, in a press, radio, and television interview on Thursday responded to the reporters' questions regarding the commercial status of the country.

It should be noted that a part of the commerce minister's interview in connection with legal duties of the Commerce Ministry was printed in the previous issue.

According to RESALAT's economic correspondent, Mr. Vahaji stated: A decrease in the profits from services;

pricing regime; financial and tax regulations; the discussion about machinery, organization, and management; information; and the correlation between work and ownership are some of the issues that must be addressed in regard to production and in some instances decisive changes must be implemented.

He emphasized: So far, the government has resolved some major barriers from the path of production. Particularly, the financial problems (foreign exchange and rial) of manufacturing units have been resolved and thus, presently, the manufacturing/production [sector] is not facing any fundamental problems and we shall witness production activities, stabilization of prices, an increase in supplies, and relative calm in the consumer complex within the first three months of next year. Of course, industrial facilities and possibilities, the low [level of] technology, overhead expenses, the lack of specialized and expert manpower, and management problems are not included in the issues which can be solved readily and completely and their solution requires time.

The commerce minister added: Due to the fact that manufacturing units are incapable of opening lines of credit, due to the shortage of the rial, and are unable to pay 100 percent of rial [service fee] expenses, they can open lines of credit with 25 percent and if, even then, they are not able to pay this amount it may be decreased in special cases.

In regard to the statistics for registration of orders, letters of credit for goods that qualify for competitive foreign exchange and imports without foreign exchange transfer, he said: The more decisions are subject to natural trends and manufacturers feel assured and confident about these trends, the higher the demand will be. As a result, the level of enthusiasm during the past month has been considerably higher than the previous two or three months. So far applications for 520 million dollars of competitive foreign exchange have been registered and letters of credit worth 480 million dollars have been opened. Also, from the outset of this plan, without the transfer of foreign exchange, applications for 2.1 billion dollars have been registered, of which only 1.8 billion dollars have been registered in the current year. As for the level of registration of imports without transfer of foreign exchange, until the outset of the activities of the new government 350 million dollars worth of goods have entered the country. Also, during the past six months (from the beginning of the formation of Hojjat ol-Eslam Hashemi-Rafsanjani's government) 430 million dollars have entered the country and the prices of certain items such as rubber and paper have decreased in the free market.

Mr. 'Abdolhoseyn Vahaji, the commerce minister, in response to a question by one of the reporters in connection with the shortage of potatoes said: Harvesting potatoes will begin as of Ordibehesht [21 April-21 May] and its supply will increase. In order to overcome the shortage of potatoes, governor-generals, peddlers, commerce offices, and the Oppressed Foundation have been

authorized to import potatoes from the provinces of Sistan va Baluchestan, West Azarbaijan, and Bushehr. Such an act has been authorized and approved by the government. Considering that imported potatoes are being sold at 145 rials [per kilo], the prices in some cities have started falling.

In response to questions by the correspondents regarding the fate of the Economic Mobilization Headquarters, he said: All executive duties and the Secretariat of the Economic Mobilization Headquarters have been transferred to the Commerce Ministry and this [issue] was approved in Wednesday's session of the Cabinet. If there are any problems with the executive organizations the coordinating office set up within the presidential office will investigate the matter.

In response to the question by RESALAT's Economic Correspondent that, "Some bakeries have increased the price of bread. Is this a result of the increase in the price of flour?" responded: As it was communicated to the Council of Bread and Flour, they are not authorized in any way to increase the prices within at least the next two or three months. If the prices have gone up in some instances, they must be brought back down again and violators will be dealt with.

Regarding the supply of cereals he added: The supply of cereals through cooperative networks have begun. For this reason prices in the free market are following downward trends and there is a noticeable difference in the prices of supplied cereals in comparison with the free market. For instance, the price of a kilo of split peas which is 1,200 rials in the [free] market is 340 rials [through cooperatives.]

While emphasizing the following of various organizations from a single guiding organizations in commercial affairs, he stated: If we deviate from our principal line—the specialized factor—which is the foundation of the governmental regime, we will not be able to follow a suitable commercial system.

In connection with the country's distribution system Mr. Vahaji said: Considering the present economic conditions of the country, the essential [consumer] goods must be distributed through a regulated network at government prices and in predetermined allocation quantities.

Mr. Vahaji pointed out that "the government will not interfere much in the pricing of goods that do not play a major role in the people's lives."

#### **Ministry of Health Birth Control Programs Detailed**

*90AS0033A Tehran KEYHAN in Persian 5 Apr 90 p 3*

[Text] The program of the Ministry of Health, Treatment, and Medical Education concerning the living environment were announced.

At the threshold of the world health anniversary and assigning the current year as the year of the living



environment, Dr. Fazel, the minister of health and treatment, together with Dr. Malek-Afzali, the deputy health minister, and Engineer Salman-Manesh, director general of the Department of Environmental Health, yesterday morning participated in a press and radio-television interview and explained about the programs of the aforesaid ministry.

Part of this interview appeared in yesterday's edition. Dr. Fazel, in this interview mentioned the quality of air, water, and earth as the significant factors of the living environment and pointed out the fact that in their polluted state these elements can endanger human lives.

He went on to add: The Ministry of Health, Treatment, and Medical Education with regard to the hygiene of the potable water, sanitation of the public quarters, control of the production and distribution centers of foodstuffs, and that of the sewage and garbage disposal, has specific plans in the making.

In answer to the question: Has anything been done in the program for the methods of birth control and the side-effects of some specific methods which face the women? he said: Use of birth-control pills and IUD's ensure the easiest method for birth control and usually they do not ensue any side-effects. On the other hand, tying of the fallopian tubes which needs to be done through a simple surgical procedure and untying or re-opening them also can be successful to about 80 percent. The tying of the tubes is not the only way for women to control pregnancy, men can also participate in the process of birth control through various other means as well.

He further added: In the current year, various means and methods for birth control or unwanted conception will be put at the disposal of the interested applicants. Furthermore, in order to coordinate the work of this ministry with other pertinent ministries and organs, a plan has been presented by the Ministry of Health and Treatment to the cabinet which is presently under investigation.

In continuation of this interview Dr. Malek-Afzali, the deputy health minister, stressed the fact that any improvement in the living environment will depend on the active and responsible participation of the people and proper cooperation by the pertinent organizations in educating the public. He also added: The rural residents and many of the individuals who live on the fringes of large cities such as Tehran, which encompass many migrant rural inhabitants, are considered to be some of the most deprived people of our society and there are special plans and programs which will be put into execution during the current year in order to resolve some of the health issues and securing hygienic and potable water for this specific group of our citizens.

While pointing out the fact that 70 percent of the rural families lack access to a sanitary water closet, he said: Until now the plan for sewage and garbage disposal through the people's participation and use of proper technology has been implemented in some pilot rural

areas and we expect to carry this system further on to many other rural districts during the current year.

### Customs Organization Plans Expansion, Changes

90AS0025C Tehran ABRAR in Persian 29 Mar 90 p 7

[Text] During the first five-year plan, important measures with regard to the installation of special custom offices, abolition of unnecessary custom regulations, establishment of special warehouses, and amelioration of the general atmosphere of the customs system will be put into execution.

This subject was brought under discussion by Mohammad Khan, director general of the Customs Organization of the Islamic Republic of Iran, during a round-table meeting which was recently arranged by the monthly magazine NEW ECONOMIC NEWS [Tazeh-haye Eqtesad], entitled: "The Round-table of Non-oil Exports During the First Plan."

The major issues discussed at the aforementioned meeting were as follows:

1. Establishment of special custom offices in areas where there is an export potential. With this procedure, while there will be a reduction in the problems of transportation, there will also be a decreased centralization of unnecessary affairs and all the custom services will be available at the main centers of production.
2. Abolition of regulations which will redouble the evaluation formalities of the export items.
3. A change in the administrative organization, executive procedures, and establishment of lawful facilities together with all the available possibilities for expediting the customs affairs and attainment of a more favorable organizational level.
4. Establishment of special warehouses, for various products at different locations—particularly at production centers, so as to avoid a concentration of goods and expediting of the applicants' requests.
5. Taking steps towards training and securing of necessary experts and evaluators, together with a unified export system and training of the responsible custom officials and government institutions for more coordinated procedures.
6. Execution of necessary research and studies in order to recognize the present export problems of the country and obtaining the viewpoint of the knowledgeable individuals in the area of export for the betterment of the current plans.
7. An endeavor toward rectification of the previous points of vision based on the creation of goodwill and reciprocal confidence with regard to the exporters, and paying more attention to their records concerning the provision of further facilitating conditions and relevant regulations.

8. Transformation and amelioration of the general atmosphere of the present custom offices towards an export-oriented customs system. Furthermore, bestowing of additional authority to the directors of custom offices and strengthening of the arbitration commissions.

### **Role of Islam in Yugoslavia's Ethnic Strife**

*90AS0025A Tehran RESALAT  
in Persian 28 Mar 90 p 8*

[Text] Yesterday the Socialist Federal Republic of Yugoslavia announced that Islam plays a role in the unrests in Kosovo and one cannot disregard the possibility of interference of Islamic fundamentalism in that province.

According to IRNA from Belgrade, Stanco Radmilovich, the second high-ranking executive official of the Republic of Serbia, yesterday in a press conference stated that religion plays a role in the ethnic strifes of Kosovo. With regard to the religious root of this interference, the aforementioned official went on to say: Our information concerning the determination of the precise root of these interferences is not sufficient; however, we cannot disregard the factor of Islamic fundamentalism in this instance.

Serbia, in Kosovo, fights against the Albanian Moslems. These Moslems are seeking a return to self-autonomy, which was bestowed on them according to the constitutional law ratified in 1974. In the new Constitution of Serbia which was sanctioned last year, despite an intensive opposition by the Albanians and the death of tens of Albanian demonstrators by the police, their right to self-autonomy became limited.

Only during the first two months of 1990, in the new wave of unrest in Kosovo, 27 Albanians were shot by the police. A Yugoslav Islamic Association Committee, which recently made a trip to this province, announced that all the victims were Moslems and that all the Islamic standards in Kosovo have been violated.

Ninety percent of Kosovo's population consists of Albanian Moslems who are apparently opposed to the recently enhanced control of Serbia over their own territory.

### **New Statistical Yearbook Gives Figures on Cooperatives**

*90AS0025D Tehran ABRAR in Persian 29 Mar 90 p 3*

[Text] There are 17,850 cooperatives throughout the country with a membership of about 10 million and a capital outlay of 430 billion rials.

The aforementioned statistic, which pertains to the end of 1367 [21 March 1988-20 March 1989], has been derived from the statistical yearbook which has been recently published by the Census Bureau of Iran. In this report it is mentioned that the cooperatives throughout the country are divided into several groups of which the

major ones consist of: The Workers Cooperatives, the Consumers Cooperative, the Housing Cooperative, the Supply and Distribution Cooperative, the Artisans and Handicraftsmen Cooperative, the Credit Cooperative, the Work [and Production] Cooperative, the Rural Cooperative, and the Fishermen's Cooperative.

With regard to the creation of the cooperatives in Iran, the aforementioned report has pointed out that this matter goes back to the years 1303 [21 March 1924-20 March 1925] and 1304 [21 March 1925-20 March 1926] and from that time until now, the development trend of cooperatives, with due regard to the particular circumstances of each period, has met with certain transformations. In 1332 [21 March 1953-20 March 1954] a bill was passed by the then national consultative assembly [Majles] and thus the cooperative law became separated from that of commerce. In 1334 [21 March 1955-20 March 1956], a few amendments were introduced in the said law and finally in 1350 [21 March 1971-20 March 1972] the existing cooperative laws were ratified by the legislative power. At the introduction of this compilation, with regard to the system of cooperatives, one reads: The cooperative system is one in which the production means belongs to the society at large and the group freedom belongs to those individuals who possess particular characteristics as well.

Thereafter, the aforementioned report discusses the status of various cooperatives throughout the country together with the number of their membership, capital outlay, and other relevant characteristics, each represented by a specific chart. For instance, with regard to the rural cooperatives it has been mentioned that they number about 3,117 throughout the country which all belong to 188 Rural Unions as well—all with a total capital outlay of 16 billion rials. Here it should be mentioned that the Province of Khorasan with 336 rural cooperatives occupies the highest position on that chart.

### **Twenty-Second Statistical Yearbook Published**

*90AS0025B Tehran ABRAR in Persian 18 Mar 90 p 8*

[Text] The 22nd edition of the country's statistical yearbook, with more than 510 pages, was published by the Census Bureau of Iran.

In this edition of the yearbook, all the fundamental statistics and information of 1367 [21 March 1988-20 March 1989] have been presented in the form of charts and statistical graphs in 25 chapters.

A major segment of the statistical information of this publication consists of a five-year—1363 [21 March 1984-20 March 1985] to 1367 [21 March 1988-20 March 1989]—period which swiftly makes a comparison between various social and economic issues of the country during those five years.

The statistics gathered in this publication encompass the population, human power, health and treatment, education, social welfare, housing, mining, industry, commerce, financial institutions, costs and living expenditures, state budget, and national accounts. Furthermore, at the beginning of each chapter, appropriate explanation and guidance with regard to the text and the pertinent tables for each chapter accompany the charts.

The public relations office of the Census Bureau of Iran announced: With due regard to the possibilities, this edition of the yearbook was published with a high circulation and as of the month of Farvardin 1369 [21 March-20 April 1990] this publication will be easily available for all the interested individuals.

### **Twenty Million Suffer From Iodine Deficiency**

*90AS0033C Tehran KEYHAN in Persian 28 Mar 90 p 3*

[Text] Eight hundred million people throughout the world suffer from one kind of disorder or another as a result of iodine deficiency. The number of people who suffer from iodine deficiency in Iran reaches about 20 million, from amongst whom about three million individuals are afflicted with large and prominent goiters.

The aforementioned statement was made by Dr. Fereydzun Azizi, the director of the State Committee for Combatting the Disorders Resulting From Iodine Deficiency and the president of Martyr Beheshti's Medical College, in an interview with KEYHAN.

First, concerning the situation and the number of individuals afflicted with goiters in the country, with regard to the geographic location, he stated: A research of the goiter situation afflicting more than 80,000 students between the ages of six to 18 years in 18 various provinces of the country indicates that in every single province the goiter affliction is existent. The provinces of Esfahan, Chahar Mahal va Bakhtiari, and Ilam with 70 percent, and Bakhtaran and Tehran with between 50 to 58 percent show a higher rate of affliction. Similarly, complications from goiters in the Provinces of Fars, Zanjan, Kerman, Kohkiluyeh va Boyer Ahmad ranges between 40 to 54 percent, while in East Azarbaijan, Bushehr, Khorasan, Mazandaran, Central, Semnan, and Sistan va Baluchestan provinces the ratio reaches between 17 to 35 percent, and in Hamadan and Khuzestan provinces the figure hovers around 11 percent.

Dr. Azizi further went on to add that proper prevention and combat against any disorder resulting from iodine deficiency, reducing the rate of affliction and the spread of goiters to below 10 percent for the six to 18 year age group by the year 1379 [21 March 2000-20 March 2001], and providing a minimum of 150 micrograms of iodine a day for each and every individual by the year 1375 [21 March 1996-20 March 1997] are some of the goals of the State Committee fighting iodine deficiency. He also stated: Preparing and distributing iodine through injection or oral use for the afflicted individuals comprise other programs which are ready for execution. Likewise, putting a stop to the

preparation of non-standard salt without iodine by some factories and finally, the mandatory use of iodined salt at the food-plants constitute some other objectives of the aforesaid committee as well.

In continuation, while citing the causes which bring about the incidence of goiters and similar disorders resulting from iodine deficiency, he stated: The main cause for the goiter disorder is a deficiency of iodine in drinking water and other foodstuffs. Iodine constitutes part of the thyroid gland's hormones. A deficiency of thyroid hormones causes extensive disorders in the growth and multiplication of brain cells, and if proper treatment is not sought in three or six months at the most, the result will be a severe loss of memory. Those individuals who have an iodine deficiency, may at various stages of their lives become afflicted with goiters, face reduced psychosomatic nerve reactions, sleepiness, general weakness, and a slowness of physical growth. Furthermore, other causes such as miscarriage, dead fetus, and increased rate of death in general could be related to this disorder.

The president of the Martyr Beheshti's Medical College, with regard to the medical training in the country, went on to add: Taking into consideration the 2.15 percent reduction in the number of medical graduates and 3.6 percent reduction of the number of physicians throughout the country, the total number of physicians in the year 1373 [21 March 1994-20 March 1995] will reach 36,000. In comparison with 1366 [21 March 1987-20 March 1988] this figure shows more than two-fold increase. Likewise, taking into account the fact that every year we will have an enrollment of about 4,000 medical students, by the year 1381 [21 March 2002-20 March 2003] the number of physicians throughout the country will reach about 51,640.

### **Land Provided to People Willing to Invest in Agriculture**

*90AS0057F Tehran JOMHURI-YE ESLAMI in Persian 18 Apr 90 p 4*

[Text] With the change in the governmental policy regarding the provision and rejuvenation of [agricultural] land, from now on large parcels of land will be assigned to those interested in investing [in agriculture].

Hojjat ol-Eslam Fazel-Harandi, the representative of the exalted Leader of the Revolution in the Central Headquarters of the Seven-Member Councils for Land Allocation, in an interview with reporters, announced this development and said: Implementation of this policy requires that its administrative barriers be lifted so that this organization can effectively implement the governmental policy.

He pointed out that at the present time required permits must be obtained from the Forestry, Deeds, and Documents Registration Bureau, the Environmental Protection Organization, and the Ministry of Energy, which getting their permits may take months.

According to the Islamic Republic News Agency, in regard to the transfer of land to qualified applicants in the south and south-eastern regions of the country, he said: During President Hashemi-Rafsanjani's recent trip to these regions it was so ordered that, in order to eradicate deprivation in these areas, the land should be transferred to the farmers and, also, the Jiroft and Kahnuj Tribes.

According to the Chairman of the Agriculture Commission of the Islamic Consultative Majles, a problem preventing the transfer of land in Khuzestan, which covers an area of 2,000,000 hectares, is that some of it is located in flood planes and require drainage.

While pointing out that investments for drainage must be provided by the government, he said: Considering the inability of the private sector to drain these lands, it has been proposed to the Ministry of Agriculture that funds for such expenses be provided by the government.

He said: Expenses resulting from the implementation of this plan shall be provided from the final transfer of 250,000 hectares, which were temporarily assigned, and in the long term the expenses will be charged to and collected from the land owners.

In another part of this interview, regarding the problems of farmers under the jurisdiction of the Land Allocation and Rejuvenation Councils, Hojjat ol-Eslam Harandi said: In order to flourish agricultural activities, permits for digging 600 wells have been issued, but regretfully we are facing difficulties in providing pump motors and casings. On the other hand, it has been so ordered that 1,400 more wells be dug which, naturally, requires more facilities.

Regarding the final transfer of agricultural land which were temporarily transferred, Mr. Harandi said: To implement the law of the transfer of temporary cultivation land, during the past three years, deeds of ownership for 200,000 hectares of the said land—which totals 800,000 hectares—have been issued and it is forecast that by the next two years final deeds of 600,000 hectares of these lands will be issued in favor of the farmers.

He noted that in some instances courts have caused some problems for this organization with their verdicts—which incidentally are against the law—in favor of the [land] owners.

Hojjat ol-Eslam Harandi requested from the Judicial Branch to appoint a representative in this organization in order to extend the necessary assistance to it while helping [this organization] to solve the problems.

In conclusion, the Chairman of the Agriculture Commission in the Islamic Consultative Majles stated his view that: By transferring 800,000 hectares of temporary cultivation land, which are the most suitable agricultural lands in the country, the agricultural production of these lands will increase 200 percent.

### **Announcement on Issuing Gas, Motor Oil Coupons**

*90AS0033B Tehran KEYHAN in Persian 29 Mar 90 p 1*

[Text] The gas and motor oil coupons for automobiles, motorcycles, taxicabs, and pick-up trucks were issued throughout the country.

In this regard the public relations office of the National Iranian Oil Products Distribution Company in a public notice announced: Hereby all the owners of automobiles with large and small gas tanks throughout the country should be informed that the blue-colored gas coupon Number 127 for automobiles with large gas tanks of 30-liter capacity, and the green-colored gas coupon Number 160 for automobiles with small gas tanks of 20-liter capacity will be valid from 10/1/69 [30 March 1990] until 11/3/69 [24 May 1990].

Similarly, all the owners of the pick-up trucks with white and red license plates throughout the country are notified that the gas coupon Number 377 for pick-up trucks, each for 30 liters for a period of 15 days will be valid from 12/1/69 [1 April 1990] through 11/2/69 [1 May 1990].

The aforementioned public relations office in its public notice further added: Hereby all the owners of pick-up trucks with white and red license plates and taxicab owners throughout the country are notified that motor oil coupon Number 57 for pick-up trucks and motor oil coupon Number five for taxicabs each for four liters for one month period will be valid from 12/1/69 [1 April 1990] through 7/3/69 [28 May 1990]. Meanwhile, all the owners of automobiles with large and small gas tanks and the owners of motorcycles throughout the country are notified that the blue-colored motor oil coupon Number 125 for automobiles with large gas tank for six liters of motor oil, and the green motor oil coupon Number 164 for automobiles with small gas tanks for four liters of oil, and coupon Number three for motorcycles each for one liter of oil, for two months, will be valid from 12/1/69 [1 April 1990] through 8/4/69 [29 June 1990].

### **Rural Areas Benefit From Newly-Constructed Roads**

*90AS0025F Tehran ABRAR in Persian 18 Mar 90 p 8*

[Text] According to a report by the public relations directorate of the Census Bureau of Iran: The latest statistical research of the rural roads of Iran indicate that according to the result of the public and housing census of 1365 [21 March 1986-20 March 1987], there are 65,782 habitable villages throughout the country. These habitable communities, according to their own economic, social, and geographical situation are interconnected by means of various roads to each other or to the main and secondary highways of the country as well. Based on the public and housing census of 1365 [21 March 1986-20 March 1987], from the total habitable villages of the country: 13.5 percent have access to paved roads, 26.4 percent have access to non-asphalted roads,

49.5 percent have access to dirt roads, 9.7 percent have access to donkey-roads, 0.4 percent have access to the railroad, and 0.5 percent have access to waterways. With regard to the fact that in 1365 [21 March 1986-20 March 1987] the length of the country's main roads were reported to be 151,488 kilometers and those of the rural areas were 37,793 kilometers, the median average share of each habitable community from the main network of roads is equal to 2,302 meters and a mere 575 meters of the rural roads.

Furthermore, this research also indicate that the majority of the habitable villages connected to the paved roads, which in turn are interconnected to other minor roads, are located in the Province of Khorasan, while those few rural areas which have access to the railroad are located in East Azarbaijan Province. In a like fashion, the majority of habitable communities in the Province of Khuzestan have access to donkey-roads. Similarly, the higher percentage of such communities which have access to waterways are located in Khuzestan Province as well.

#### Zanjan Province Exports Non-oil Products to 17 Nations

90AS0025E Tehran ABRAR in Persian 29 Mar 90 p 3

[Text] With the issuance of 10,106 export permits by the Institute of Standards and Industrial Research of Qazvin township, during last year more than 19,677 tons of nonindustrial products from Zanjan Province were exported to 17 foreign countries.

A report by IRNA quoting the public relations office of the Institute of Standards and Industrial Research of Qazvin indicates that the value of export goods consisting of raisins, biscuits, pistachios, walnuts, hazelnuts, almonds, and laundry detergent reached 1.69 billion rials.

The aforementioned report goes on to add: In comparison to the year 1367 [21 March 1988-20 March 1989] the export commodities had a total weight increase of about 13,292 tons with a comparable rise in value of about 1.66 billion rials.

### PAKISTAN

#### Karachi Said Battleground for PPP, MQM

90AS0010A Lahore NAWA-I-WAQT  
in Urdu 10 Mar 90 pp 9, 12

[Article by Mohammad Anwar Ali: "The People's Party and MQM Are Thinking of the Future: The Two Large Political Forces of Sindh Are Tired of Alienation"]

[Text] A feeling of political quiet is increasingly being felt in the cities of Sindh. It is both easy and difficult to predict future events. After changing its chief minister, the Pakistan People's Party [PPP] has shown the red flag to its radical groups as a result of which the Muhajir

Qaumi Movement [MQM] seems to be under doubled pressure. Although political observers believe that both the PPP and the MQM are in favor of establishing contact as soon as possible in regard to future actions, the question still remains as to who will take the first step. It is a matter of prestige for both of the parties. This time, those traditional factors did not appear on the public scene which had previously brought about a political agreement between the two parties.

Certain circles are of the view that Sindh's two large political forces, the PPP and the MQM, are tired of their present attitude toward each other which embodies the saying, "Let us be strangers again." But as to who should be the first to extend confidently the hand of friendship is a matter of face. Informed individuals say that the two antagonists have made lists of different and contrasting conditions, but each is oblivious of the fact that time is passing. New elements are making fast inroads upon our social conditions and maybe bringing portentous tempests in their wake.

Karachi, Hyderabad, and Sukkur, which show prominent signs of Muhajir influence, complain that they are being neglected by the new cabinet. But Chief Minister Aftab Shaban Mirani clarified in his first press conference that the policy of the PPP remained the same, but that his method of carrying out that policy would be different. What is happening in Karachi especially shows that the police have the upper hand over the administration. The events of the past decade here reveal that the behavior of the police from the time the criminals are arrested until they are sentenced is such as to give the impression that the police force considers itself above judicial procedure and thinks it necessary to keep the administrative courts subservient to its wishes.

The Sindh police ignore the fact that in its election manifesto, the PPP promised to end curtailed hearings in courts because such quick procedure courts do not fully serve the ends of justice.

Karachi's prominent lawyers do not discern any clear-cut policy being followed by the civil administration here. It is obvious that the police are once again playing a biased role. A few days ago, after burned corpses were recovered from Aurangi Town and as a result of other accusations, the police arrested a large number of residents of Aurangi Town, harassed them, and reportedly released them after obtaining large sums of money. As a result, the real criminals have not as yet been identified, but police operations continue which undoubtedly is damaging to the prestige of the PPP and its government.

An old inhabitant of Aurangi Town said that the police had made so many arrests that it appeared that the whole of Aurangi Town was responsible for the burned corpses. It was widely believed that hundreds of thousands of rupees were extracted as bribes from the individuals arrested. Members of the respectable class believe that after the agreement between MQM and Islami Jamhoori Ittehad [IJI—Islamic Democratic Alliance], MQM was

under great pressure. Of course, it is also a fact that all the recent activity of the Sindh assembly has taken place in the absence of MQM and is thus one-sided. But the PPP remains silent on this issue.

Including the portfolio of the minister of the interior in the Sindh cabinet could prove beneficial, provided that any measures taken are not tainted by bias and that the PPP views alone are not given consideration. Failing this, the experiment will not only be unsuccessful, but the problems of law and order will become more serious in the smaller towns in addition to the three big cities of Karachi, Hyderabad, and Sukkur. MQM, which at present is ready to reach a full understanding in the interests of establishing law and order, could revert to its attitude of "being disgusted and ready for battle."

The other political forces in Sindh seem to be in the mood for watching and waiting.

The new chief minister, by sending this message to the people: "We will treat all classes without discrimination and with equal justice," has to a great extent adopted a policy of maintaining peace. His policy message shows that he has penetrated to the root of the present corruption and will make a sincere effort to eradicate the evils.

Karachi's educational institutions are still under compulsory holidays. According to the announcement of the vice chancellor of the University of Karachi, classes will remain suspended until 8 March. It remains to be seen when classes will be resumed in this important educational institution.

Apart from the Sindhi Muhajir political scene, it is a matter of concern that incidents of robbery, lootings, and murder have not decreased in Sindh. The police and other government institutions are continuing to take action against robbers and it is to be hoped that lawlessness will be permanently ended.

### **Commentary Laments Political 'Wrestling Matches'**

*90AS0010B Lahore NAWA-I-WAQT  
in Urdu 10 Mar 90 p 9*

[Editorial: "We Want Cooperation, Not Political Wrestling Matches"]

[Text] Speaking at the Pakistan military academy in Kakul, President Ghulam Ishaq Khan referred to the country's political atmosphere and said, "Pakistan's record in regard to democracy is not a proud one. We have not been able to cast our heads and hearts into democracy's mold, nor have we been able to rise above party politics. We have forgotten that there is a world outside party politics." The president admonished: "We have had enough of political wrestling. There should be competitions in public service now. The government should not be for one party alone, but for all citizens. The

people now want to see a practical demonstration of love from the democracy of parties." Not only are the people quite aware of the regrettable political situation noted by the president, but they are also quite disgusted with it. The people are justified in believing that after the "restoration" of democracy, elected civil governments should have paid attention to progress and development. But what has taken place during the last year and a half can only be called destruction. Democracy requires that the government and the opposition cooperate in serving the people and this cooperation and tolerance is what constitutes democracy. After 12 long years of martial law, there was even greater need for cooperation by political forces in the interests of strengthening the new born democracy and political process. Solutions needed to be found for the country's innumerable serious problems. Regrettably, the government and the opposition failed in their appointed duties and spent all their energies humiliating each other. This "competition in confrontation" still continues and neither party seems to be tiring of it. With great difficulty, the ruling authorities were able to sit together at the same table the other day. But when intentions and hearts are not sincere, a few meetings cannot reduce the collective fighting. It is ironic that all the robber groups in Sindh have demonstrated their unity and elected their officials. They have made a concerted decision to heighten their campaign for extracting a "compulsory" ransom in abduction cases. Our politicians and government ministers and advisers, on the other hand, are not willing to cooperate. Each is busy playing his own game. The federal government is engaged in efforts to get rid of opposing provincial governments, while the opposition is trying its best to oust the party in power at the first opportunity. Intolerance is growing and as the saying goes, the main objective is to get the reins of power even at the cost of total destruction. This confrontation has proved injurious to the country. The business of government is at a standstill. Industry, agriculture, and commerce are paralyzed. Lawlessness is rampant and public law and order is in such bad shape that human life is at jeopardy, not only in Karachi and Sindh but in all parts of the country. In view of this situation, one cannot understand why the ruling class is satisfied, seeing that their sphere of authority and the government writ does not extend beyond the adjacent rooms. It is necessary that this attitude of obstinacy be abandoned and instead of time and energy being spent on mutual confrontation and tug-of-war, attention be paid to the country's real problems. Our government and the opposition should realize that the world is standing at the threshold of the 21st century and the trumpets of revolution are sounding in the East and the West. The problems of Afghanistan on the one side and of Kashmir on the other are staring us in the face. But we continue to resuscitate the prejudices and hatreds of a medieval tribal society. This is not the way to prosper in the world. If we want to prove ourselves a dynamic and intelligent society, we will have to emerge from the narrowness of thought and deed.

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