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U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

Near East & South Asia

JPRS-NEA-89-058

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REGIONAL AFFAIRS

Gulf Federation Calls for Strategy to Counter European Market

44000597 Jiddah ARAB NEWS in English 7 Jul 89 p 2

[Article by Hasin al-Binayan: "Arab Strategy To Counter Unified Euro Market Vital"]

[Excerpt] Riyadh, July 6—The Federation of the Gulf Chambers of Commerce has urged Arab countries to study the dimensions of the challenges they will have to face as a result of the formation of a single European Common Market in 1992 and its impact on the Arab economy. In that year the 12 European Community countries will become one single market as far as the free movement of goods, capital and individuals are concerned. These countries will prefer to conduct commercial dealings among themselves, since the basic objective of the European Common Market countries will be to boost the competitive power of European goods and industries and realize self-sufficiency for themselves by imposing more difficult terms and conditions on other economic groups and countries. The federation recommends that a united Arab strategy should be evolved to meet the ongoing financial and monetary arrangements, acclimatize themselves with new developments and benefit from the points of strength.

According to the federation, the strategy should include the following:

1. Coordination among the existing Arab economic groups namely, the Gulf Cooperation Council, Arab Cooperation Council and the Arab Maghreb Union.

2. Analysis and study of the challenges faced by the European community in its efforts for integration which started in 1957, to benefit from its experiences.

3. It should be observed that a trend toward a merger is growing among the European countries, as an early outcome of the integration of the community in 1992 (the year when Europe will be without boundaries and customs barriers). For instance, the percentage of mergers in France in 1987 rose by about 61 percent compared to 1985. In West Germany, the trend increased by 21 percent. The merged companies are trying to boost expenses relating to preparation of studies and improvement of industrial products. So what is required of the private sector in the Arab countries is the formation of major industrial groups and big companies to face any possible competition.

4. Expansion of the scope of Arab economic integration to new fields and benefitting from the factors that led to the failure of earlier experiments. A new style is to be adopted which will not be limited to the expansion of trade and setting up of joint ventures with no concern for services or development of Arab infrastructure projects. In this connection the need for boosting banking and monetary cooperation is to be underlined particularly

through the settlement of payments arising from mutual trade which faces limitations in free currencies. [passage omitted]

Gulf Investment Corporation Annual Report Discussed

44000600 Muscat TIMES OF OMAN in English 6 Jul 89 p 19

[Text] Gulf Investment Corporation's [GIC] annual report and accounts for the year ended December 31, 1988 show that over its five years of operations GIC's total assets grew by 32 percent annually reaching \$1,717 million by the end of 1988.

Shareholders' equity increased from \$420 million at the end of 1984 to \$730 million at the end of 1988. The average rate of return on paid up capital for five years period was 11 percent, and the net income for 1988 was \$38.4 million.

In 1988 GIC's investment portfolio in projects within the AGCC [Arab Gulf Cooperation Council] countries increased from around \$10 million at the end of 1987 to \$44 million at the end of 1988. The amount represents GIC's investment in ten projects.

GIC was able to identify 28 new opportunities for investments during the year bringing the total investment opportunities investigated by GIC since its inception to over 120.

GIC also played a leading role in a number of loans to borrowers in the AGCC countries, including the management of a US\$400 million for the development of the North Dome gas field in Qatar, and a US\$220 million lease financing for Gulf Air.

PALESTINIAN AFFAIRS

Arafat Interviewed by Yugoslav Newspaper

28000158 Sarajevo OSLOBODJENJE in Serbo-Croatian 14 Jul 89 p 7

[Interview with Yasir Arafat, PLO leader and president of Palestine, by Zlatko Dizdarevic and Hido Biscevic, in Tunis: "Within a Stone's Throw"; date not given]

[Text] Yasir Arafat, president of the State of Palestine and leader of the Palestine Liberation Organization, is a statesman whose name has again begun to be mentioned in the world more frequently. That name is obviously increasingly closely associated with the destiny of the Near East and with resolution of the drama that has lasted there for several decades and which, in the new redistribution of political and military influence, far outreaches the space in which it is being enacted.

At the end of the 2d year of the Palestinian popular uprising, in an atmosphere of the inter-Arab agreements following Casablanca, at the end of the first phase of

direct negotiations between the Palestinian and American delegations, and just in advance of the summit meeting of the nonaligned, Arafat—answering the questions of Zlatko Dizdarevic and Hido Biscevic, whom he met in Tunis—called the world's attention to the "last chance" for peace as well as to the consequences of what might happen if this chance is missed.

[OSLOBODJENJE] Comrade President, nearly a decade has passed since you entered the decisive battles, military and political, in which the broad political campaign referred to today as the peace initiative of the PLO has been developing. That battle, which has been waged from Beirut, Tripoli, Aman, Algiers to Geneva, has arrived at a phase in which one can glimpse the contours of a permanent and definitive solution of the Near East problem. What are the characteristic features of the present phase of that struggle?

[Arafat] That is a very wide-ranging question. It is a question about our entire revolution. Our revolution has always been exposed to various plots; it has been threatened many times with attempts at liquidation. Actually, this arises from the nature of the conflict in which the Palestinian revolution is clenched. We do not confront only our direct enemy—Israel—but also the great international powers that stand behind Israel. The United States of America stands behind it with immense support. We have not faced only a conventional military occupation. Even in South Africa, where there is the same kind of occupation, the people are in a somewhat more favorable situation, since they have remained on their native soil, they have not been driven out. In our case, however, 60 percent of the people have been driven out, and 40 percent are under the occupation.

In 1956, when John Foster Dulles was asked about the fate of the Palestinian people, he said "There is no place for the Palestinian people in our plans. That people has had bad luck and fell under the legs of the elephants. All the rest is just a matter of time. Those generations which know about Palestine will depart, and those who do not know of it will come, and the issue of Palestine will be resolved in that way." We have answered John Foster Dulles' thesis twice. Both times he was actually answered by the children he said would not remember Palestine. The first time even the Israelis recognized the RPG [a bazooka frequently used in combat in the Near East—author's note] children. That is, according to the statements of Israeli generals, in Beirut in 1982 those children played a significant role in prolonging military operations, the result of which was that the siege of Beirut lasted longer than all previous Israeli-Arab wars put together. I have been waging the longest Israeli-Arab war with those children. Israeli losses in this war have been greater than the cumulative losses in all their previous wars.

Those children have been followed by a new generation of which John Foster Dulles said that they would forget

Palestine. They are the children of the intifada who have risen up in order to change the balance of power in the Near East.

The Israeli military and political elites now know definitively that their ultimate goals cannot be achieved by force and repressive action. There is no solution to the Palestinian problem without realization of our legitimate rights. As far as we are concerned, the main thing is that we have managed to turn the intifada into a political action. It was in fact on the basis of the results of the intifada that we came forth with the political initiative that was embodied in the resolutions of the National Council and the Declaration of Independence. This initiative is winning support in all parts of the world. The nonaligned countries, African, Islamic, and socialist countries are on its side, and that is certainly very important. In spite of that, Israel, supported by the United States, is rejecting all those initiatives. No one, however, can stop the wheel of history. And that is why we believe that we will win. That is also why I say that I believe in victory.

[OSLOBODJENJE] Can the certainty of that triumph be pinned down in any way as to time?

[Arafat] If you want to represent it figuratively as it is done in the Arab world, then it might be said that victory is a stone's throw away from us.

[OSLOBODJENJE] What is objectively new in the painful process of seeking a solution to the Near East problem is the beginning of direct negotiations between the United States and the PLO. That joins a link in this chain that yesterday did not exist. What at this moment is the basic obstacle keeping these talks from moving still faster and more effectively. Put simply, where do you and America differ?

[Arafat] As I see it, the fact that we are negotiating is constructive, but it is all going slowly. So far, the American administration has not responded to the Palestinian peace initiative. An initiative which has won support everywhere, including Europe, has not received an appropriate response from the American side. Even today, they are supporting the Shamir plan in connection with elections and they say that they favor democratic elections. Where can free elections be held under an occupation? Where has there ever been a "democratic occupation"? Are there any such things as democratic and undemocratic occupations? There cannot be democracy without freedom.

[OSLOBODJENJE] Now the Americans are saying that they are striving by negotiating with you to bring about conditions to bring the Israelis to that same negotiating table. On the other hand, as you have said, they are doing what they are doing. Is it, in your opinion, a case of the two faces of the Americans, since they do one thing and say another, or is it perhaps that they are powerless to exert a decisive influence on Israel with respect to changing its behavior?

[Arafat] Do you believe that they can exert pressure on Israel? Just remember 1956, when the triple invasion was carried out against Egypt, against the Suez. At that time, Eisenhower warned not only Israel, but also the two great powers who were allies, Great Britain and France, to withdraw, and they quickly withdrew. Israel cannot do anything without American aid. Without American military aid it could not even continue the occupation. They "win" when the Americans in the Security Council use their veto against all the other 14 votes. That was true even when Yugoslavia had the chair in the Security Council. In this way, the Americans are offering direct protection to the Israeli criminals. They are against the murdering of any man anywhere, except that this "love of justice" of theirs fails them when Palestinians are in question. They are in favor of the right to self-determination of all peoples in the world, they just do not grant that right to the Palestinian people. They talk about elections. Fine, I accept the Namibia formula. That formula was devised by the United States of America in New York and is called the New York agreement. They have not accepted that same formula, however, when the Palestinians are in question. Why do they not treat us the same way they are treating Namibia? Which means that yes, they have opened up a dialogue with us, but they still are not treating us equally, as they treat other peoples. Washington treats the conflict in the Near East as though it were a conflict over the Near East.

[OSLOBODJENJE] One would say that certain things in the Near East are recurring, that certain types of behavior seem to be *deja vu*.

[Arafat] That is true. Those mistakes which other colonial powers once committed in this part of the world are now being repeated by the Americans. They simply do not want to see what is inevitable, what has never and nowhere ever been averted in cases of occupation in the world.

[OSLOBODJENJE] What in your opinion could change this attitude of the United States toward the Near East problem and the Palestinian question? Recent news indicates that the Americans are raising the rank of the negotiators with you.

[Arafat] Too late. Six months after the first contacts they still are not changing the terminology, nor are they changing the negotiating platform. We are at completely different positions. Why in this way and to such an extent are they supporting Israel and everything they are doing against old people, women, and children, against human rights, and against humanity? How can any answer be found to the question of why this is so and how long it will be so? Nevertheless, we continue to insist on their intermediation between the two principal sides in the Near East conflict, between the Palestinians and the Israelis.

[OSLOBODJENJE] Do you think that this greater disposition of the entire world in the direction of resolving

the Near East problem will in the end finally influence the Americans and force them to change their stubborn stand and that of Israel as well?

[Arafat] I hope that that will be the case, but I am not an optimist. I do not want to build sand castles nor to entertain illusions.

[OSLOBODJENJE] Fine, but as an extremely successful politician, you probably do foresee certain solutions for getting out of the blind alley?

[Arafat] The permanent members of the Security Council have to find a way to "push" the United States toward changing its present position. Those four countries, then, must exert pressure on Washington, constantly and persistently. I must tell you, nevertheless, something that I consider very important: If the American administration continues with its present commitments in this area, the last and only chance for peace in the Near East will have been lost. This means that we will face a true and complete explosion in this region. Everywhere, in all parts of the world, the talk is about disarmament, and there is an effort to disarm. That is the case with Star Wars, with central Europe, in Latin America, in southeast Asia, in Africa...everywhere except in the Near East. All kinds of weapons are being stockpiled here. Only the Near East is being armed even with atomic weapons and missiles and combat poisons, chemical weapons. What does that mean? Should there be a war because of losing this chance for peace, it will be a disastrous war. Does America really have the right to back Israel to the point of bringing about this kind of disastrous war? That is not, of course, just my question, it is equally the question of the entire world and of world public opinion. It must be clear to everyone: if an explosion occurs in this part of the world, no one will be spared.

[OSLOBODJENJE] Do you think that all the others in the Near East are also aware of this fact?

[Arafat] To whom are you referring, to the other Arab countries? Well, certainly. Otherwise, why would they all be arming so rapidly. All the countries in the Near East, from Turkey and Iran, through the Arab countries, to Israel—they are all buying weapons. Regardless of whether they are poor or rich.

[OSLOBODJENJE] Allow us to express a personal impression. What you have said, it seems to us, is strikingly more colored with pessimism than everything we have heard from you in past years, both in public statements and also in our less official meetings. Are we correct?

[Arafat] No, it is not pessimism. Certainly not. I merely do not wish to dream. On the contrary, I analyze my situation and my battles, I do not entertain illusions, but I must be realistic. This is not pessimism, this is realism. Pessimism, for instance, could not say that our state is a stone's throw away. And believe me, that is all it is, no more.

[OSLOBODJENJE] When you spoke about a possible explosion in the Near East and the persistent attempt to detour around solutions for this region, it is possible to ask whether perhaps the accelerated processes of reform in the socialist countries, with everything they entail, could put the situations here into the background on the world scene and on the scale of interests of the great powers?

[Arafat] What is happening in certain socialist countries is very important and not just to eastern Europe. There are changes everywhere. You see that we are even beginning to confront a new united Europe empire. It is right here on the threshold, in 2 years. Then there is Japan, with all its technology. Entire revolutions are taking place. However, if there is no relaxation of tension in the East, it will not occur between the great powers at all. It will not occur anywhere, not even in Europe. The Mediterranean belongs to everyone on its shores, Europe and Africa and Asia. This has always been an arena for large changes in civilization down through the entire history of humanity. Everything that happens here will echo there, and everything that happens there will shake this region.

[OSLOBODJENJE] Let us go back again to some of the questions that arise from your assessment that Palestine is a stone's throw away. Does it matter to you, for instance, with whom you will sit down at the negotiating table when the Israelis are on the other side: with Shamir, with Peres, or with Rabin?

[Arafat] That is not my problem. They will choose a delegation, and I will negotiate with them. I do not want to meddle in their affairs, just as I do not want them to meddle in mine. The essential thing is for them to take a seat at an international conference soon.

[OSLOBODJENJE] The Algiers Charter mentions the policy of good neighborly relations which will be conducted by the Palestinian state. How do you conceive those relations with "neighboring" Israel?

[Arafat] It will be however it is agreed in the negotiations. It is not as though I am selling off a cooperative....

[OSLOBODJENJE] We have personally seen the strength of the authority you enjoy with the inhabitants of the occupied territories. What will your position be as the president of a state in the newly formed state following the liberation? Will you be the leader of the PLO or a person "above parties"?

[Arafat] No one knows as yet whom the Palestinians will elect president after the war. Perhaps it will be like the British and Churchill after the end of World War II. You know that after all of that they did not elect Churchill. Why not? In any case, I have a long memory.

[OSLOBODJENJE] You have probably talked even about the internal political structure of the future state. What role for the PLO and what kind of system do you envisage?

[Arafat] We believe in the multiparty system. This is also in keeping with our Charter on Independence adopted in Algiers. We have no chance without democracy. What this will concretely look like will be decided in a democratic debate when the time comes.

[OSLOBODJENJE] Do you expect that a majority of the nearly 3.5 million Palestinian refugees will return to their home, and how do you look on that possibility in practical terms?

[Arafat] Their right to return is guaranteed by a resolution of the United Nations. That is one thing. Second, how can the Israelis expect Soviet Jews from the Ukraine or other regions to come to Jerusalem and not expect the return of those Palestinians driven out of there? You know that I myself am from Jerusalem. It has been my life's dream to return there, to my own city, to my own street. We have international guarantees of that. Even the Americans voted for that at one point.

[OSLOBODJENJE] Among those who frequently express doubt about the future functioning of a Palestinian state, the argument is made ever more frequently that the existence of that kind of community is economically impossible. In this phase of creating the state, have you already established certain mechanisms for the operation of business and economic functioning of Palestine in general?

[Arafat] In any case, this will be a concept based on economic freedoms, business freedoms, and commercial freedoms. This is in keeping with our concept of democracy, and we consider that to be our democracy. We cannot at this point enter into any more detailed plans, since that would be contrary to democracy. I cannot impose my opinion on the people who are to make those decisions tomorrow. That is not my right.

[OSLOBODJENJE] Please tell us in conclusion your opinion of the tasks facing the nonaligned movement on the eve of the summit meeting in Belgrade, especially in view of the need for reforms without which the movement would undoubtedly lose some of its importance.

[Arafat] We will be coming this fall to Yugoslavia for the summit meeting of the nonaligned. I am convinced that when Yugoslavia agreed to organize the summit meeting, it was profoundly aware of the need for further development of the movement, and that will make it considerably easier for us all to initiate and examine the questions of further refinement and reform of the non-aligned movement. We have to concentrate on the issues of the present and future. These are above all the issues of economic and technological development of the non-aligned countries. We do not need thick books of resolutions. We need clear and concise resolutions that will express the essence of what has been discussed. I also think that it would be possible to form some operational executive body that would join the host country in carrying out the tasks agreed on in specific and operational terms.

[OSLOBODJENJE] What do you personally expect from the summit meeting in Belgrade?

[Arafat] I expect quite a bit. I am truly an optimist as far as the summit meeting is concerned.

[OSLOBODJENJE] Do you have particular expectations from the summit meeting and Yugoslavia as the host country and future presiding country with respect to the Palestinian question?

[Arafat] Certainly. The movement has a large role in resolving this issue, especially Yugoslavia within the framework of that movement. As you know, there is a committee of nine whose task is to follow that question. They, for instance, took it upon themselves to organize a meeting of the United Nations General Assembly in Geneva when I was refused a visa to go to New York. The decision to make that move was actually made by the nonaligned movement, since the votes of the non-aligned countries were decisive. We have many reasons, then, for hoping that the summit meeting in Belgrade will contribute to a further strengthening of the non-aligned movement to which we belong.

BAHRAIN

Industrial Project To Create Jobs Discussed

44000610a Manama GULF DAILY NEWS in English
9 Jul 89 p 1

[Article by Colin Young]

[Text] About 500 jobs could be created if plans for a new \$400-\$500 million (BD150-BD188 million) petrochemical plant in Bahrain go ahead.

The project could also spawn "at least 20 downstream companies" making a wide range of products, said Banagas chairman and managing director Shaykh Ibrahim Ibn-Rashid Al-Khalifaf.

A study on the scheme, to produce the versatile thermoplastic polypropylene and the lead-free petrol additive methyl tertiary butyl ether (MTBE), is now in its final stages.

Shaykh Ibrahim said British consultant Chem Systems International was due to submit its final report later this year.

The proposals will be considered by a special steering committee, comprising Banagas shareholders—the Government, Caltex and the Arab Petroleum Investment Corporation—along with Kuwait-based Gulf Investment Corporation.

Three possible sites have been suggested for the project, which would involve Banagas supplying propane to produce polypropylene and butane for conversion into MTBE, said Shaykh Ibrahim.

Goods

"We hope these two products would create at least 20 downstream companies, making films, carpet fibers and many other plastic goods," he said.

About 50 percent of the plant's production could be converted locally, according to Shaykh Ibrahim.

Polypropylene ingots could also be shipped from Mina' Salman or transported across the King Fahad Causeway as a raw material, he said.

Initial forecasts for the profitability of the project were encouraging, said Shaykh Ibrahim.

"All being well, we could have a project by mid-1992. If we wait too long, others may get in before us," he said.

Ex-Workers Must Find Sponsors or Be Deported

44000610b Manama GULF DAILY NEWS in English
9 Jul 89 p 1

[Article by Soman Baby]

[Text] More than 80 former workers of the dissolved Bucheery ACT [expansion unknown], who have been working illegally on the island for a year, will be deported if they fail to find new sponsors before the end of the month.

Labor Director 'Abd-al-Rahman al-Zayani, said five ex-Bucheery workers arrested in the Sanad area last week would be deported immediately.

But about 80 other workers were given until the end of the month to find new sponsors.

Following the liquidation of Bucheery ACT, 370 workers were transferred to other companies.

Employers

"But more than 80 other's have been floating around in the market after they failed to get their dues and cases filed in the court," said Mr Zayani.

"We know these people have been working here and there, but we are unable to allow this illegal employment any more."

Those who failed to find new sponsors would not be allowed to stay in Bahrain after July 31.

"Workers who thus face deportation could authorize the Indian embassy to receive their indemnity and other dues on their behalf when they are awarded," said Mr Zayani.

Workers should find employers who genuinely required their services.

"Such employers should approach us before July 31, and if we are convinced about their workload, we will

approve the transfer of sponsorships without looking into their formalities like letters of release," he said.

Concern Over High Electricity, Water Consumption

*44000610c Manama GULF DAILY NEWS in English
10 Jul 89 p 1*

[Text] The Premier yesterday expressed deep concern at Bahrain's soaring electricity and water consumption.

Chairing the weekly Cabinet session, HE the Prime Minister, Shaykh Khalifah Ibn-Salman Al-Khalifah stressed the importance of saving water and power.

His "save it" message followed a joint report from the Finance Ministry and the Ministry of Works, Power and Water on the island's future power and water needs.

The answer to the problem was not building power grids and desalination plants, at huge cost to the Government, said the Prime Minister.

He said education campaigns should be stepped up to teach the public how to use power and water economically.

It was important for everyone to stop wasting these vital resources and to preserve them for future generations, added the Premier.

The Works, Power and Water Ministry was asked to prepare a detailed report on ways of reducing consumption, with recommendations for an educational programme.

Cabinet ministers gave the go-ahead for plans to produce fertilizer at the Gulf Petrochemical Industries Company plant.

Finance Minister Ibrahim 'Abd-al-Karim briefed ministers on the financial aspects of the project.

The Cabinet asked the Development and Finance ministries to co-operate on feasibility studies for potential industrial schemes, submitted by Development Minister Yusuf al-Shirawi.

IRAQ

Baghdad-Abu Ghurayb Highway Links Completed

*44000606 Baghdad BAGHDAD OBSERVER in English
6 Jul 89 p 2*

[Article by Yusuf M. Amin]

[Text] A section of the Baghdad-Abu-Ghurayb road project which includes a dual-carriage way, a number of tunnels and service ways was inaugurated a few days ago, said a source at the Bridges and Roads Department.

This 1.2-km-long section is part of the Expressway which links the Baghdad-al-Fallujah highway with the

Expressway No 2. It consists of two sides, each of which is 12 metres wide, separated by a 15-metre wide middle island. Each of the two sides includes three traffic lanes and a two-metre wide lane used in cases of emergencies.

The Bridges and Roads Department which built this section also executed two tunnels to link service ways parallel to the Expressway so as to facilitate the movement of the people living on both sides of the new section.

Early this year a number of the Expressway sections were opened for traffic. Section 4 of Expressway No 1 linking Baghdad with al-Hillah was among those opened. This 106-kilometre-long road helps heavy vehicles of 16.3 tons payload to avoid entering Baghdad and eases out traffic jams and bottlenecks in areas near the capital's centre.

Expressway No 1 is one of the most ambitious road projects of some 1,200 kilometres in length linking Baghdad to the southern and western regions of the country, thus heavy vehicles can take the journey up or down from Kuwait to Jordan or vice versa without having to enter Baghdad. The Expressway, when completed, will save a lot of time.

So far international companies like Drumex of Poland completed Section 7 of the Expressway linking al-Nasiriyah with al-Basrah, whereas Bell Finger of West Germany completed Section 8 linking al-Nasiriyah with Safwan on the Iraqi-Kuwaiti border.

The other part of the Expressway No 1 that links the capital with the western side of the country—Section 11—was completed by Universal and Straback Austrian firms. Other sections of the Expressway are now under implementation.

Railway Line Extension Expected To Boost Oil-Related Exports

*44000605 Baghdad BAGHDAD OBSERVER in English
5 Jul 89 p 2*

[Article by Sabah Y. Yunan]

[Text] Baghdad, Jul 4—Minister of Transport and Communications Mr Muhammad Hamza on Saturday inaugurated Khawr al-Zubayr railway extension line in the southern province of al-Basrah. The line is allocated for transporting oil products to the port of Khawr al-Zubayr at the northern tip of the Arab Gulf.

The line, which is an extension of the Shuwaybah-Umm Qasr main railway line is 6,350 metres long and links the cross-country railway network with the dockyard at the port of Khawr al-Zubayr. The construction of the project was completed in a record time of 47 days whereas the original schedule for construction was 90 days.

Speaking at the inauguration ceremony, the Minister lauded efforts made by both the Iraqi Railways and the

Transport and Communications Projects Implementation departments in carrying out the construction works.

He called for extra efforts to cut down the time consumed in executing projects. He said such an axing can be achieved by adopting scientific and precise calculations, high technology and embracing the latest engineering advances in the world.

The al-Basrah-Khawr al-Zubayr new extension line has cost some two million Iraqi dinars. In addition to the line, the project includes building a yard for unloading oil products.

The construction of the line involved removing 100,000 cubic metres of soil as well as the levelling of 12,000 cubic metres of soil for the line and laying down of 16,000 cubic metres of stones and gravel.

The building of the al-Basrah-Khawr al-Zubayr line was ordered by President Saddam Husayn to link the unloading station in al-Basrah railway station with the export terminals at the port. The project was meant to overcome obstacles in transporting oil derivatives from al-Basrah to the port of Khawr al-Zubayr by road tankers.

During his visit to the dockyard, the Minister was briefed on the works undertaken by the Iraqi Ports Department to prepare Shipping Terminal No 9 at Khawr al-Zubayr and the efforts to increase the navigation depth to 12.5 metres.

Mr Muhammad Hamza also toured some of the transport and communications projects executed in the Iraqi port city of al-Basrah including the ground telephone network, central post building and the telecommunications complex.

Iraq has started exporting various oil products by sea tankers for the first time after the ceasefire in the Gulf war which run into effect on August 20, 1988. Before that Iraq used to export all its oil derivatives by road tankers which carried their load to some of the ports in the neighbouring [as published]

ISRAEL

Israel and the Territories: Six Economic Scenarios
44230117 Tel Aviv YEDI'OT AHARONOT (Business Supplement) in Hebrew 23 May 89 pp 5-7

[Text] This article constitutes a first attempt to evaluate the economic consequencess of various political arrangements between Israel and the territories. Such a dissection is intended primarily to sharpen certain points and to place them on the public agenda. There is no doubt that it will be necessary to expand and extend this work in order to receive more precise economic estimations, and this will occur in the near future.

The options were defined as broad political scenarios that leave sufficiently ample space for their economic

meaning. From the economic outlook, the point of distinction between different scenarios is in the nature of the ties that will be formed.

The main questions are whether the border between Israel and the territories will be closed or open to the traffic of workers, goods, services, and capital. Let us take, for example, the scenario of a Palestinian state. It is probable that the governing forces of this state will decide, based on political/ideological considerations, to close the border with Israel to traffic of laborers and products, despite the fact that, in the short term, this is liable to cause great damage to this state. It is possible to estimate the damage, in such a case, to the State of Israel and the Palestinian state, and it is very desirable that such an estimation would be made before both sides in the conflict sit at the negotiating table.

In this article, we will make a primary attempt to estimate the future developments in the economics of the territories as a result of the severance of the two economies and as a result of the continuation of the integration process between them.

The Economics of the Territories in Comparison to Israel's Economy, on the Eve of the Intifadah

The economy of the territories is dependent upon the economy of Israel more than the economy of Israel is dependent upon the economy of the territories. The main reason for this is the magnitude of the two economies and their internal strength. We can compare the main economic variables of the two economies. Regarding the territories, the most current data is for 1986, before the intifadah [uprising].

From this comparison, the small scale of the economy of the territories in relation to the Israeli economy stands out, especially in the realm of public consumption and gross capital reserves in the economy's industries. In contrast, the population in the territories constituted more than 30 percent of the population in Israel (according to the latest estimates, close to 40 percent).

One can see that the economy of the territories is most dependent upon trade with Israel, as well as income from work in Israel.

In Israel, in contrast, dependence on the territories is less, albeit in certain industries (construction and agriculture) dependence is greater. Significant dependence also exists in textiles and services. The Israeli dependence on the West Bank is greater, but only slightly. As a market for export products, the West Bank takes a larger slice, in comparison to Gaza, of the total exports to the territories.

Disconnection of the Economies and the Economic Consequencess

A. Regarding Israel: The Cost of Evacuation As Much As \$10 Billion

Let us now examine the consequences for a total disconnection of Israel's economy and the economy of the

territories. We assume that such a disconnection would necessitate the evacuation of Jewish settlers from the territories, as well as civilian and public installations.

Our current estimate is that the evacuation and transfer of military installations and the establishment of a warning system along the new border will cost between \$3 to \$5 billion spread out over 2 to 3 years.

The cost of the evacuation of 20,000 families of settlers from the territories and their resettlement within the Green Line is estimated to be between \$3 to \$5 billion, that is, between \$150,000 to \$200,000 per family. It must be emphasized that we are speaking of a real cost to the economy that will come at the expense of productive investments and will be deducted from the manufacturing capital reserves. Even the investments for civilian evacuation must be executed within the short time frame of 2 to 3 years.

The damage to Israel's gross national product, as a result of the military and civilian evacuation and the disconnection, when we take into account a reduction in the number of employed in the economy of more than 100,000 workers from the territories, will be expressed by a decline of 3 percent in the first year in comparison to the previous year. Afterward, there will be a gradual return to a positive growth rate, albeit low. Per capita consumption will be reduced by a rate of 4.5 percent in the first year and will return to the 1988 level only after more than 4 years. The per capita external debt will continue to rise during the coming decade, while, if the economic integration were to continue, the trend of a rise in external debt would already be curbed within the next few years. It is obvious that an increase in American aid would reduce these damages to the Israeli economy. Additional civilian aid on the order of \$5 billion for each year during the evacuation would cancel out the damages of the evacuations, but not that of the economic disconnection.

We must emphasize the damage that would be caused especially to the construction industry and, to a certain extent, the agricultural industry. In the construction industry, 40 percent of all employed come from the territories. The disconnection would initially result in additional construction time for existing buildings and a reduction in construction starts. For the short term, there will be an exchange of workers from the territories for Israeli workers and perhaps even the import of workers from abroad. For the longer term, the construction industry will have to convert to more industrialized methods that save on manpower. Apparently, during the adjustment period, prices would rise. In the agriculture industry a similar process would occur and here, too, prices are expected to rise during the adjustment process.

B. Regarding the Territories: Danger of Crisis

The influence of disconnection on the economy of the territories will be critical to the point of a crisis scenario. It is possible to present the problem of the economy in the territories after disconnection from Israel as a

problem of preserving all of the services and economic sources per capita at the 1986 level. Since the population in the territories grew at a rate of 3.5 percent per year, inputs must also grow at the same rate. Furthermore, a rise of at least 2 percent per year in the level of services must be accounted for, consumption and investment, per capita.

In the wake of a disconnection of the economies, the incomes from work in Israel will be collected, and if we deduct these receipts from the over-all exports, we get a 47 percent decline in exports. A large portion of the exports from the territories is currently designated for Israel and if the border would close it would result in a serious problem of finding alternate destinations for these exports. A sizeable portion of the imports to the territories come from Israel. Alternate sources will certainly be more expensive. Therefore, a real reduction of 40 percent could occur in imports and exports, and the remaining 60 percent will suffer from worsening trade conditions, meaning imports from more expensive sources and exports to less convenient destinations. As a result, it is anticipated that the territories will experience a deficit in foreign trade of between \$1 billion to \$1.3 billion.

In 1986, public consumption in the West Bank and Gaza was very low (\$110 per capita), as was the gross domestic investment (\$360 per capita). The vital increase of public consumption and the gross domestic investment would result in a deficit of close to \$2 billion per year. Such a deficit is 1.3 times greater than the gross domestic product of the territories in 1986 and, therefore, it would be very difficult to maintain it, even for a short period.

In order that there not be a need for aid on the order of \$2 billion for a long period of time, it is necessary to make resources available for investments in the territories. The investment would be, for the most part, in industry, not agriculture, since the water limitation will continue to oppress the territories. The investments in industry must ensure places of employment for workers who will be cut off from the Israeli economy, who, apparently, will not find employment in the oil countries because of the reduction in oil prices, as well as for those who dealt in production for export to Israel. We are speaking of 200,000 workers. Even if we were modest in the capital demands for the worker and would be satisfied with \$15,000 per worker (in Israel, the gross capital reserves per employed in the economy's industries in 1986 were \$42,000), this means an investment of \$3 billion spread over a number of years.

The success of industrialization in the territories will depend (except in the large investments) also on the ability to absorb unknown technologies as well as the ability to find markets for the products that the industry produces. Many developing countries find it difficult to absorb modern production technologies. We should point out, together with this, the great tendency of the Palestinians to obtain higher education, as well as the existence of a great reservoir of academic manpower,

part of which is employed in other countries. These facts are likely to ease the process of absorption of technologies.

The problem of developing export markets for industrial products is a more serious one. The ability of Jordan to absorb industrial products is limited because of its poor economic situation. Possible markets for part of these products are other Arab countries, among them the Gulf states. However, it will also be necessary to develop markets in western and eastern Europe.

The Integration of Economies and its Consequences

The continuation of the integration of the economies of the territories and Israel can serve as a lever for the development of the territories without damaging the standard of living of the population there, but only on the condition that investments in industrial factories are effected. The high natural population increase and the increase in the rate of participation of men and women in all types of work, on the one hand, and emigration back to the territories from Arab countries, will result in the creation of permanent pressure on the job market. Our estimate is that the number of required positions will grow by 3.5 percent per year. If the addition of employed were divided between the market in Israel and the territories, according to the proportions of 1987, Israel would have to absorb an increase in manpower from the territories of 3.5 percent per year. An increase in manpower to the Israeli economy in a state of full employment could result in an annual growth rate of 4.6 percent per year, an annual increase in per capita consumption of 2.5 percent, on average, and a reduction in per capita external debt at an average rate of 2.7 percent per year. Together with this, it must be remembered that the proportion of workers from the territories among Israel's total work force will continue to increase, because the Israeli work force will grow only at a rate of 2 percent per year. There could be industries in which the work force from the territories will become central and dependence upon them will grow. In such a case, sudden political unrest could cause a complete shutdown of certain industries in Israel, and due to the mutual ties with other industries, this disturbance could spread to other industries. That is, there is a calculated risk that Israel must take if it should decide to continue the integration of the economies.

We will now move on to a detailed examination of the various solutions (and nonsolutions) in the relations between Israel and the territories. We will evaluate the economic profit and loss of the various political scenarios.

Scenario A: A Continuation of the Intifadah

The main question with this option is will the intifadah continue or will it perhaps die out, in other words, is the intifadah a stable situation. The intifadah is causing a partial disconnection of the two economies. The damages to the Israeli economy in 1988 were on the order of

2.5 to 3 percent of the gross national product, resulting from a decline in trade with the territories and a decline in construction, agriculture, and industry, a decline in tourism, and a certain increase in security expenditures (not including deliberate damages in construction activities, in agriculture, and in industry). The Israeli economy can recover relatively quickly from the direct damages of the intifadah.

The damages to the economy of the territories from the continuation of the intifadah will be much greater. Estimates are that in 1988 the gross domestic product in the territories declined by as much as 30 percent or more, and unemployment increased by almost 25 percent. From here, the question is how long can the inhabitants of the territories bear such a harsh decline in the standard of living. A continuation of the intifadah means that the economic situation will worsen, especially if Israel will not make possible massive unilateral deliveries and the development of a domestic employment base.

A continuation or modulation of the intifadah could have serious economic consequences for Israel as a result of the pounding its image would take among friendly countries. A certain amount of damage to American aid is likely, and possible also in Israel's trade agreements with these countries. The matter will not improve and will even worsen the tourism situation in comparison to its situation in 1988. It must again be remembered that the economy of Israel is very dependent upon foreign trade, and damaging it through trade limitations or export bans to Israel will bring grave losses to the economy. The source of another blow is in the continuation of the lack of a solution to the problem of a water shortage. This will hurt both Israel and the territories, albeit the major damage will be to the territories, especially the Gaza Strip.

Scenario B: Palestinian Autonomy

There is a difference between a narrow autonomy and a broadened autonomy when relating to the economic consequences.

In a narrow autonomy, the border with Israel would remain open to traffic for workers and goods. The Israeli authorities would supervise that which is effected in the areas of security, Jewish settlements, water sources, state lands, immigration, and customs. The autonomy would have to develop the public sector in the territories by itself and to depend upon the Israeli and Jordanian financial systems for purposes of mobilizing funds for the public and private sectors. In order for the state of a narrow autonomy to be stable for a long period of time, an improvement in the standard of living of the residents of the autonomy must occur, and it is doubtful whether such a thing is destined to occur in the conditions that would prevail then. The problem of the water shortage will continue to limit agricultural development in the territories of the autonomy, and the transition to industrial development will be dependent upon industrial

investments, absorption of technology, and the development of export markets. Since the autonomy would not have control over important areas, such as a division of the water sources, immigration, and customs, it will be difficult for it to develop agriculture, to absorb academic manpower from the Palestinian diaspora, to protect young industries through tariffs to encourage investments in new industries, and to develop export markets.

In a broadened autonomy, the control over the subjects of water, immigration, and tariffs would be joint between Israel and the autonomy's authorities. In this case, negotiations would be possible regarding the allotment of regional water as well as immigration, traffic of workers, the movement of capital (the autonomy would not have its own currency), and customs. Consequently, the autonomy would be able to guarantee at least partial control of its economic future. Despite this, the autonomy will still have a very difficult assignment connected to the development of the public and industrial sectors. Trade connections with Israel and Jordan are likely to improve the chances that this assignment will succeed.

The economic consequences for Israel are also dependent upon the definition of the autonomy. A narrow autonomy, with open borders for goods and workers, will reduce the possible damages to the Israeli economy to a minimum, especially since the expense of the evacuation of settlers and military installations would be very small. In a broadened autonomy, it is likely that Israel would have to make concessions on the subject of water allocation, and there would be expenses connected to the evacuation of Israeli settlers and the evacuation of military installations. But, in all, the economic consequences of this scenario are likely to be positive for Israel. Israel's gross national product will continue to grow at an average rate of 4.5 percent per year, and per capita consumption will grow at a rate of 2.5 percent per year.

The external debt will depend on the type of autonomy that, in the final analysis, is given to the Palestinians. A narrow autonomy will make the continuation of the goal of reducing the per capita external debt at a rate of up to 2 percent per year possible. A broadened autonomy, without foreign aid to Israel to compensate for the cost of the evacuation of the civilian and military bases, could result in a continual rise in per capita external debt, albeit at a moderated rate of up to a half of 1 percent per year.

Scenario C: Annexation

From an economic viewpoint, annexation means a forced unification of the economies of Israel and the territories. The question is what would be the character and expression of the unification.

A unification without limitations means traffic of products, services (including work), and free capital between the territories and Israel. In such a unification, fruit and vegetables from the territories would directly compete

with the fruit and vegetables from Israeli farms. The farmers in the territories would be entitled to the standard subsidies, yet would demand exemptions from the production taxes required from the Israeli farmers. Such economic integration will enable every farm to exploit its respective advantages, and this is liable to harm certain sectors in Israel and force them into adjustments. For example: a blow by the agriculture of the territories through competition with the Israeli agricultural industry. A similar matter could occur with industrial products filled with low-quality work. Traffic of products and workers to Israel will increase, mainly due to the fact that the border with Jordan will be closed by the Jordanian government following the annexation step.

Israel will have to provide the residents of the territories with a base for services, such as roads, electricity, telephone, sewage, and the like, while the possibility of mobilizing the real financing for this in the territories, themselves, is very small. In addition, the problem of financing the increase of public consumption in the territories exists.

In 1988, per capita public consumption in the territories was on the order of \$100 to \$150. The public consumption in the territories is approximately 2 percent of that in Israel, while the population in the territories constitutes more than 30 percent of the population in Israel. There is no doubt that Israel would have to increase the budgets for the public sector in the territories, and these will be deficit budgets, at least during the first years following annexation. Also to be taken into account is the scenario of immigration of residents from the territories to the big cities in Israel and the creation of poor neighborhoods alongside of them. In order to prevent this, it will be necessary to pass preventive laws like a law prohibiting the sale of land to residents of the territories. On the other hand, there exists the possibility of annexation of the territories without granting full rights to its inhabitants.

Not granting full rights to the inhabitants of the territories would be similar to a continuation of the existing situation in many senses.

The direct damage to Israel's economy as a result of annexation of the territories without granting rights to its inhabitants is not great, but the indirect damage to Israel's economy could be much more significant. Israel is very dependent on world trade, and this trade could be harmed as a result of this type of annexation. There is a real risk of cancellations of Israel's trade agreements with the Common Market and the United States. As a result of this, Israeli exports to these destinations would be greatly damaged. In addition, damage is probable as a result of economic sanctions that are likely to be imposed on the State of Israel. American aid to Israel would drop significantly following annexation, especially if a transfer accompanies it. All civilian aid is likely to be cut in this case, and Israel would have to seek financial sources also for interest payments and reimbursing the fund for external debts.

Even in the economic framework, we cannot ignore the dangers of a war that could break out in this or any other phase following annexation and the severe economic damage. It is difficult to estimate the damages of war, since we cannot know which war scenario will occur in the future. A surprise war like Yom Kippur could cause severe damage to the economy in the form of an increase in security expenses, on the order of \$4 to \$5 billion, and a direct blow of 10 percent in the gross national product for 1 to 2 years.

Scenario D: A Palestinian State

A Palestinian state, when it rises, could pass a political resolution whose significance would be economic disconnection from Israel. As already stated, immediate economic disconnection would require aid to the Palestinian state of \$1.5 to \$2 billion per year in the first years, in order to enable this state to more or less maintain the current standard of living of its inhabitants. What is desired, from the State of Israel's point of view, as well as that of the Palestinian state, is to make possible, at least in the beginning, the continued traffic of workers and goods between the states. Thus, the Palestinian state could maintain the standard of living of its inhabitants without needing massive outside aid and could make additional sources available for investment and not for financing consumption.

The economic success of a Palestinian state is dependent upon its ability to develop the industries whose output in 1986 constituted less than 10 percent of production. However, the success of the industrialization process does not depend on these investments alone. In order to absorb manufacturing technology and in order to run industrial plants, it will be necessary to obtain the appropriate manpower which, today, either does not exist or is not employed in the field in which it was trained. Similarly, it will be necessary to develop export markets, since the domestic market will be too small.

In the short term, the new state will, perhaps, be able to continue developing agricultural industries, on the condition that the problem of water in the region is solved by the import of water and/or the creation of water by desalinization. The required investments for industrial developments are estimated to be on the order of \$3 billion. Additional investments will be required for the public base in areas such as producing electricity, roads (a road between the West Bank and Gaza), the development of the Gaza port, and the like. The required public investments are estimated to be on the order of \$2 to \$2.5 billion. In addition, investments will be required for housing, especially if the Palestinian state settles refugees within its borders. That is, the investments required, whose only possible source for financing is external capital, could reach \$6 to \$8 billion, which is a relatively large amount for the economy of the territories in the present.

The establishment of a Palestinian state would require Israeli evacuation of residents and military installations.

The cost of the evacuation could be very high, between \$5 to \$9 billion over 2 to 3 years. Without a significant increase in foreign aid to Israel, this could cause great harm to the Israeli economy. The gross national product is liable to decline in the first year by 3 to 4 percent, if the process is accompanied by disconnection from the economy of the territories. The private per capita consumption will also decline and will return to its previous level only after more than 4 years, and the external debt could continue to rise at a rate of 2 to 3 percent per year during the first years. Together with this, within a number of years, there could be real improvements in Israel's trade relations with the rest of the world. The tourism industry, influenced by political events, could develop all too quickly in light of the political calm and due to the possibility of integrating a number of countries in the region in one tourism package. As a result in the decline in political danger, there could be an increase in foreign investments in Israel. All this could put the Israeli economy on the track of fast growth after a very difficult transition period.

Scenario E: Unilateral Evacuation of the Gaza Strip

Today, the economy of Gaza is definitely dependent upon Israel's economy. Israel is the largest source of employment for Gaza's residents, and more than 50 percent of the Gaza work force is employed in Israel. If we take into account the indirect employment component (subcontractors for Israeli factories), we arrive at a figure of 60 percent. These residents spend part of their income on products manufactured in Gaza, and, therefore, a decline in their income means damaging all branches of the economy in Gaza that produce consumable goods for the domestic market, and this when the regional per capita production in Gaza for 1986, before the intifadah, was \$630.

The disconnection of Gaza and closing of the border would reduce incomes by 60 to 70 percent, meaning reducing consumption by approximately half of its current size. As a result, the gross national product in Gaza would be reduced on the order of 20 to 25 percent of its current size. The significance of such a decline would mean a breakdown of the entire economic system. Even if part of the work force found local jobs, the unemployment rate would immediately rise to 50 percent. In neighboring Arab countries there are currently no job opportunities that would be a source for such a large number of unemployed. Therefore, such a situation could continue only if hundreds of millions of dollars flowed into Gaza (by our estimate, \$500 million) each year during the first years to compensate for the decline in incomes as a result of disconnection from Israel.

Additional development of agriculture would require the import of water from Egypt or the creation of water through a desalinization installation, and even this development could not absorb the tens of thousands of workers (approximately 45,000) who would be turned away from work in Israel. Industrial development would necessitate the building of a sea port and sufficiently

large investments in industry for whose products they will have to find export markets. Since Israel is closed, this product will have to find its way to neighboring Arab countries and Europe, and this will be a difficult task.

The direct damage to Israel as a result of a unilateral evacuation would be small enough. Even if the border were closed to the traffic of workers and goods, the Israeli economy would shortly readjust itself. The upper limit of damage would be 1 percent of the gross national product for 2 to 3 years. Similarly, Israel would save itself the need for financing the public sector in Gaza. This burden would fall only on the political entity that would be established there. Together with this, we cannot ignore, in this case, the unrest that will be created in Gaza as a result of the severe decline in the standard of living and the sharp rise in unemployment.

Scenario F: Jordanian Rule

The option of Jordanian rule could be effected in the form of a Palestinian federation or confederation within the framework of Jordan. If the border with Israel were closed to traffic of workers and goods, Jordan would, in the beginning, have to absorb the Palestinians working in Israel in order to prevent massive unemployment and serve as an alternate to Israel as a partner in the Palestinian entity.

Jordan's economic situation today is not good and, therefore, from this aspect it is desirable that the border with Israel remain open to traffic for workers and goods, at least for the first years of the establishment of the federation.

The economic fate of the federation would be dependent upon massive external aid for a considerable length of time, but, in this situation the federation could be aided by the Jordanian economic and administrative base.

The Jordanian financial system could aid the federation to mobilize funds abroad to finance the establishment of industrial plants. The Palestinian federation could be assisted by Jordan in additional areas, such as education, health, cooperative development of water sources, development of tourist sites, and cooperation in the export of winter vegetables to Europe.

It can be estimated that the extent of evacuation of Israeli residents and of military installations from the territories that would be evacuated would be similar to the scenario of an independent Palestinian state. Without additional foreign aid in the first years following the establishment of the federation and economic disconnection from Israel, the economic consequences for the State of Israel could be severe. However, the establishment of a federation and economic integration with Israel would help Israel in the creation of an economic bridge into Jordan and, from it, to other Arab countries. Economic integration, and not necessarily merely partial, would help both countries solve the water problem.

C. Summary of the Six Options

The general economic significance of each political scenario is impossible to examine in one point in time, and to predict even the near future. This must be examined after the completion of the economic accord activities and the economy bases itself on its new conditions of development.

Regarding Israel, we chose 1988 as a year on which to base a timely and stable projection for each of the possible scenarios. We avoided a scenario of war between Israel and its neighbors, despite the high probability of war in certain options (annexation, the continuation of the intifadah). We assumed rates of growth of the population and the local work force of 2 percent per year.

The results emphasize the relative stability of Israel's economy and its relatively weak dependence upon the economy of the territories.

Regarding the standard of living (per capita consumption): Each of the six options falls within the range of 1.3 to 2.5 percent average annual growth in the period 1988-1998.

Regarding the balance of payments: The average annual rate of change in per capita external debt fluctuates within a wider range, from an average decline of 2 percent per year to a rise of 1 percent per year.

Regarding the territories, the critical point is tied to the question of economic disconnection or economic integration with Israel.

Economic disconnection without massive external aid in the form of transfer payments in the first years, as well as financing of manufacturing investments and the increase of public consumption, would cause a severe economic disaster, especially in Gaza, causing a decline in economic activity to a level of 20 percent of that of 1986. But even on the West Bank there will be a severe decline in economic activity, as much as 60 percent of that of 1986. During the first years, the economic integration with Israel will help, even if it is not absolute, in establishing the economy of the territories, and will enable a gradual adjustment to the state of disconnection from Israel in later years. The scenario of economic disconnection, even in the distant future, remains and will be to the advantage of the two sides.

[Box, p 6] Sapir was Right

Immediately following the 6-Day War, an argument broke out between Moshe Dayan and Pinhas Sapir, then minister of the treasury, whether or not to open the Israeli job market (in the areas of the Green Line) to Arab workers from the territories. Sapir saw this step as a disaster for the Israeli economy and did everything to prevent permits. Nevertheless, in the first 2 years following the war, work in Israel was tied to personal work licenses. In the beginning, 3,000 such licenses were granted and, later, their number doubled. Nevertheless,

sometime during 1969 Moshe Dayan's concept of opening up the Israeli economy to free traffic for workers from the territories was victorious, and the economy was quickly flooded with relatively cheap labor. Moshe Dayan, as minister of defense, was the leader of the approach for economic integration with the territories and the erasing of the Green Line.

Now, the wheel is rolling back: personal work permits. Pinhas Sapir was correct in his overall grasp. The workers from the territories did not add, for example, to the modernization and productivity of the construction industry and a number of other industries.

But the Israeli economy became used to the workers from the territories, and they became used to us. This is also the reason for the assault of the security system on the market, in order to test its ability to get along without the Arab workers from Gaza.

Viability of Palestinian Economy Discussed

44230100b Tel Aviv MA'ARIV in Hebrew
24 April 89 p 2C

[Article by Asaf Razin]

[Text] If and when it is established, would a Palestinian state be viable as an independent economic entity? The question was discussed at an international gathering recently held in London. Background data on the economies of the West Bank and the Gaza Strip show the following: a population about one-third that of Israel; and national output at about 8 percent of Israel's. The economy is based on services. An appreciable part of the national product stems from the creation of labor services for nearby economies, principally that of Israel. About one-half of domestic production stems from the branches of trade and public services (education and health). Industrial production represents a small part of domestic production (less than one-fifth), and the capital-to-labor ratio in the local branches of economic activity is between one-quarter and one-third of that for Israel.

Economic activity in the territories is marked by a number of features that would be of importance for the creation of a successful economy:

- a) The territories are situated only a short distance from important international markets: the Arab countries, Israel, and Europe (by way of a developed highway network, airports, and seaports).
- b) The educational level of the population is relatively high, with a potential for the increased participation of educated women in the labor market.
- c) Initiative, as expressed by rapid entry into new economic undertakings and by managerial ability.

Rapid growth in the 1960's and 1970's and the early 1980's can be explained by the high level of interaction with neighboring economies. The rapid growth of the

Israeli economy in the period 1968 to 1972 and of the economies of Jordan and the Persian Gulf countries between 1973 and 1982 provided a stimulus to accelerated economic growth in the territories.

The economic link between Israel and the territories is, as is said, like the link between economies of unequal size. However, despite what may appear to be the exploitation of the smaller economy by the larger, the reality is different. Interaction has created gains from trade for both economies, and particularly for the comparatively smaller one. The incomes of residents of refugee camps, in particular, are today derived from work in Israel.

A Palestinian state can take either of two roads: the first, a complete break with the Israeli economy; and the second, increased economic integration with Israel.

Prevention of the movement of workers, capital, and trade in goods between the two economies would weaken the Palestinian economy to crisis proportions. Output would drop by about one-quarter, unemployment would increase, and migration abroad would rise. In such a situation, international assistance in building and housing construction for the settlement of refugees would not be enough. The problem of the refugees presently residing in the territories would worsen. The Palestinian state would not therefore be able to cope with the basic problems of establishing an independent economy.

The necessary preconditions for the establishment of an independent economy are as follows:

- a) A peace settlement that would ensure a minimal level of security and military expenditure in the territories.
- b) Free trade in goods and services with the neighboring economies (Israel and Jordan), and free movement of capital and labor.
- c) Coordination with Israel with regard to customs, indirect taxation, exchange rate and inflation policies, so that the countries in question would form a single economic market.

Agriculture Minister Discusses Intifadah's Impact

44230150a Tel Aviv DAVAR in Hebrew 26 Jun 89 p 3

[Article by Dani Rubinstein]

[Text] There has been a sharp decline in sales of Israeli agricultural products to the West Bank and Gaza since the beginning of the intifadah [uprising]. This was announced by Agriculture Minister Avraham Katz-Oz at a meeting yesterday with journalists in Jerusalem. In the political sphere, Katz-Oz repeated his proposal to cut the Gaza Strip off from Israel and dissolve the settlements in the Qatif Bloc.

The minister said that the intifadah is causing heavy damage to Israeli agriculture. He revealed that there has

been a drastic decline in sales of Israeli dairy products, poultry, beef, fruits, and vegetables in the territories. The minister added that it is difficult to determine if the residents in the territories are consuming less, or if they are succeeding in satisfying a larger part of their needs from Arab sources and are boycotting Israeli products. In contrast to the sharp decline in sales of Israeli frozen poultry, consumption of poultry feed in the territories has increased, indicating that many persons are maintaining chickens and small coops in the yards of their homes.

The minister said that beef parts, whose cost is increased greatly by cleaning and koshering, had been sold in the territories in past years, but are now in great surplus in Israel. He added that the lengthy strikes had reduced considerably activity in the vegetable markets in the territories, thereby reducing the sales of Israeli produce. On the other hand, he said, King Hussein "hit" the residents of the West Bank hard this year by setting very low quotas for olive oil imports to Jordan from the territories. The minister said that aside from this, agricultural ties between Jordan and the territories remained as they had been before the announcement of the break.

Minister of Agriculture Katz-Oz was also asked about the plan he had proposed for cutting the Gaza Strip off from Israel. He explained that, in his opinion, an international framework should be established to solve the difficult economic and social problems of Gaza, without any connection to its political future. "No one thinks that Gaza is necessary to Israel's security," Katz-Oz said, and he stressed that the Qatif Bloc settlements also do not contribute to security, so that it is possible, according to him, to dissolve them.

Underground Groups in Territories Expanding

Taking the Law Into Their Own Hands

44230156b Tel Aviv 'AL HAMISHMAR in Hebrew
29 Jun 89 p 9

[Article by Pe'er-Lee Shahar]

[Text] Five years after the discovery of the Jewish underground there is already talk of one or more new underground movements in Judaea and Samaria. These are organizations and groups that define their actions as "taking the law into their own hands." However, likening their actions to doing justice is nothing but a bad joke.

So far one cannot point to any given organization. But, as Rabbi Yehuda Amital—one of the most respected yeshiva rabbis in the country, who led the Meimad Party in the last elections—said this week, I can feel it in the air, I feel that something is happening. There are extreme, fanatic groups....We must be alert to the danger....The shock that the public suffered when the underground was first disclosed has died down."

Labor Party Secretary Mikha Harish said that the potential for an underground in Judaea and Samaria was proven by the very discovery of the Jewish underground 5 years ago. MAPAM [United Workers' Party] Secretary El'azar Granot stressed: "I don't know if there is an underground, but what has been revealed is threatening enough. Israeli citizens in the territories are challenging the authority of a legal government and admit that they will not implement government decisions; they violate IDF [Israel Defense Forces] instructions, attack and clash with soldiers, and challenge their authority; they have arms for self protection, but they use them to defeat terrorism; they carry out 'reprisals' against innocent people without having to account for their actions, and they identify with the transfer; they accuse of treason anyone who makes any endeavors toward peace, be they even as restricted as those of the government, and they incite against Jews who don't share their views. All this is happening under our very eyes, there is nothing underground about it, this is overt sabotage. So who needs to talk about underground movements when there is such overt undermining."

Knesset Member Yosi Sarid of CRM [Citizens Rights Movement] has for a long time warned about the fact that Gush Emunim is stockpiling weapons without any control. He stressed that, in contrast to the secrecy in which the Jewish underground acted in the past, this time there is no need for underground activities. "In the past the settlers carried out every firing incident, killing, and murder under cover for fear that they may be called to answer for their deeds. But once the settlers discovered that the law lets them get away with it, they began to act openly. As it turned out, no underground was necessary in order to kill Arabs."

The army went back on its intention to take stock of all the weapons in Hebron. Sarid's solution was so conventional that it is difficult to grasp why it was not implemented. "General Security, the army, and the police must be clearly instructed by the executive branch that the same law applies to both Jewish and Arab criminals." Granot emphasized that it is the duty of the government to fulfill its mission. "There is danger in several of the government's measures: the request that people who live in the territories should serve their reserve duty in an organized manner in the territories themselves is most dangerous. I warned against it already while I sat in the Knesset. Another negative factor is the public, overt support extended to settlers in the Knesset."

The HADASH Party does not doubt the existence of one or more underground movements. According to HADASH leaders, all the facts point to the existence of an organized underground. HADASH does not make fine distinctions; it does not matter to it whether the activities of the underground consist of Sicaris' actions or trips organized by Gush Emunim. HADASH members claim that the arrest of Tehiya leader Yisra'el Meydad and the detention of former Jewish underground leader Yitzhaq Nowick prove that even innocent

trips to Samaria are no longer organized by the Society for the Protection of Nature.

Knesset Member Mikha Harish believes that extensive educational actions should be carried out with the cooperation of all the democratic parties with a view to creating a general atmosphere supportive of the legal and military apparatus. Knesset Member Vilner suggested the establishment of antifascist defense guards—a suggestion that was rejected by the other parties out of hand.

As we know, on 29 April 1984 the press reported the discovery of a Jewish underground in Judaea and Samaria. Since then, between stone throwing and the hasty establishment of "stone quarries," Jewish underground detainees are coming out so that they may see and be afraid.

Operations May Be Expanding

44230156b Tel Aviv 'AL HAMISHMAR in Hebrew
29 Jun 89 p 9

[Article by Avi Benyahu]

[Text] In the past month there has been a growing feeling that security forces in the territories are facing the birth of a new Jewish underground, one that is not restricting its actions and is acting within the Green Line, too. This feeling arose in the wake of a series of events and statements, but so far there is no material proof of it.

Among those events were the murder of a young girl in Kifl-Hars, the wild shooting at Arabs at Geha Crossroad, a settlers' raid of the village of Bani-Zayid, the fact that settlers remain silent and do not cooperate with investigators, and the extreme actions of the "Sicaris." The more numerous the events of this type, the stronger the feeling that a new Jewish underground is at work, also among the right-wing bloc. Rabbi Yehuda Amital of Yeshiva Har Etzion, who knows Gush Emunim very well and knows the people active within it and under its patronage, this week stated that "Gush Emunim is a hothouse for another underground."

A few years ago, after a long series of reprisals against the Arab population, including attempts on the lives of West Bank mayors and similar actions, a Jewish underground was discovered, just as Knesset Member Yosi Sarid had warned. Those who claimed that the underground existed only in Sarid's mind were forced to eat their words. General Security revealed the existence of an organized and widespread underground movement equipped with a plan of action, weapons, and so forth. It can be said that the news of a Jewish underground came as a surprise to both the security forces and the Israeli public. Are we now going to be surprised for a second time? What is the price we will have to pay until such an underground is uncovered? Do such actions enjoy the support of politicians? In the meantime, although all these questions remain unanswered, the trend is clear and the feeling is growing.

Amid the experiences of the Jewish settlers and the wild west atmosphere prevailing in the West Bank, such an underground may come into being without any organized body deciding on it. An organized underground movement may emerge even around Gush Emunim's trips "to every corner of Greater Israel."

Lifestyle, nationalist sentiment, ready availability of weapons, and absence of concern about violating the law are factors that indeed constitute a hothouse for a new underground. It is to be assumed that the military authorities, General Security, and the police are carefully monitoring activities around what is called the "State of Judaea" and keeping tabs on prominent names, which are doubtlessly stored in the police computer under "KAKH [Meir Kahane's Party] members." The security forces must ensure that the Israeli people will not be taken by surprise a second time and will not have to pay in blood for the fixed ideas of a handful of crazies fueled by the wild pronouncements of mad politicians. General Security and the police must take energetic steps to restrict the movements of people suspected of illegal activities.

Similarly, the thousands and tens of thousands of military arms that settlers hold for "self-defense" must be subjected to comprehensive verification in order to ensure that each weapon is in the hands of the person entitled to carry it, that the person was appropriately trained in its use, and that he has no criminal record.

The "armed trips" organized by settlers "to every corner of Greater Israel," violent tours of Arab villages—which for some reason end up in the killing of at least one Arab—and the "support excursion" of 15 right-wing Knesset members are like oil to the wheels of a booby-trapped car.

Amnon Shahaq Discusses Role of Intelligence in Regional Affairs

44230129 Tel Aviv BAMAHAHE in Hebrew
7 Jun 89 pp 16-18, 46-47

[Interview with head of the Bureau of Military Intelligence by Nahman Shai and Yitzhaq Toniq; date and place not given]

[Text]

[BAMAHAHE] General Shahaq, how can the firing of Katyushas at settlements in the north be understood?

[Shahaq] The motivation of organizations in Lebanon to strike Israel has not disappeared for a moment. These are attempts; we only know about what succeeds. There were many attempts which were thwarted through very extensive IDF [Israel Defense Forces] and intelligence activities. Many successes were recorded in the past year. Therefore, we are not aware of many things. Nonetheless, the motivation of organizations such as Hizballah and the Palestinian organizations exists and continues, and attempts to penetrate have not ceased throughout

recent years. What happened a week ago next to Metulla is such an attempt, which combined the firing of Katyushas with an attempt which was thwarted.

[BAMAHANE] Do you think that these organizations are encouraged by the intifadah [uprising], the sympathetic, international responses which it is receiving and the perception that perhaps they are moving toward a gain?

[Shahaq] I do not know to what extent the intifadah can be linked with these activities. The intifadah doubtlessly has more of an effect on Palestinian groups. Indeed, in the initial months of the intifadah, we saw all of the Palestinian organizations, excluding Fatah perhaps, making numerous attempts to penetrate, aid the uprising, or raise the morale of the Arabs of Israel through terrorist attacks in the north, all of which failed. The intifadah is not the sole motivating factor of Lebanese groups such as Hizballah. They have their own considerations. It should not be forgotten that terrorist attacks occurred in Lebanon long before the intifadah. They neither began with the intifadah, nor will they end with it.

[BAMAHANE] Nonetheless, Katyushas were not fired at settlements in the north in the previous period; perhaps the security zone there fulfills some function. Nonetheless, you were obviously not surprised by the last firing.

[Shahaq] I would recommend that no one be surprised by any incident which occurred or did not occur. True, Katyushas were not fired for a long time. However, 2 years ago, for example, many such cases could be enumerated. I am pleased that the comprehensive operation carried out by the IDF on the northern border greatly reduced the number of Katyusha firings, and caused them to almost disappear. The problem is that Katyushas and the will to strike exist in Lebanon. Therefore, from time to time, we are faced with the firing of Katyushas. It should be remembered that we are not the only ones affecting what happens in Lebanon. The Lebanese also have an effect; the battles between Amal and Hizballah and the battles in Beirut also affect these organizations' ability to invest in efforts aimed against Israel in south Lebanon.

[BAMAHANE] After a long period, the public is again hearing more and more about what is happening in Lebanon. Only a short time ago, there was a general discussion about the entry of Syrian forces into Lebanon, about concern in Israel and about the follow-up. While this discussion was short on detail, it nonetheless reflected concern over these developments. What do the Syrians currently want to obtain in Lebanon?

[Shahaq] The Syrian aspiration has not changed. The dream of a greater Syria has been eyed by the leadership in Damascus for many years. Recently a great nuisance to Syria arose in the person of Michel 'Awn, who not only demanded that the Syrians leave Lebanon, but also opened fire on Lebanese forces after the latter fired on the Christian enclave. He has gained the sympathy of

many Lebanese, not just Christians. He also enables the Iraqis to enter the arena, which is insufferable from the Syrians' standpoint. My appraisal is that the Syrians are not interested in subjugating the Christians, but in subjugating Michel 'Awn. Some of them view his actions almost as a personal insult. 'Awn's boldness doubtlessly influences other elements in Lebanon, who see that one can dare to act against the Syrians, and that Asad's soldiers are not all-powerful. This certainly does not please Damascus.

The Syrians attempted via different routes—through factions which collaborate with them—to liquidate Michel 'Awn. In my estimation, they would kill him if they could do so. Apparently, they have not found a way, at least so far. Meanwhile, they are using military threats and very massive shelling of a civilian populace. Tens of thousands of Syrian shells fell on the entire Christian enclave, causing the Christians to return fire and causing many tens of thousands of Shi'ites, Sunnis, and Druze on the periphery of the Christian enclave to flee. This process gives concrete form to Syrian cynicism: Under the heading of a legitimate presence in Lebanon, the Syrians are willing to bring destruction and heavy damage to this wretched state, even though the government which invited them many years ago no longer exists.

[BAMAHANE] Do you believe that Michel 'Awn can stand up to Syrian forces, which are resolved to truly liquidate him?

[Shahaq] It is not entirely clear that 'Awn is not standing up to the Syrian army. The Syrian army is stronger than the forces which all of the Christians can muster. But the question is not only whether Syria would be willing to pit itself against Lebanon's Christian community (I ignore the Israeli side for a moment), but also whether it would want to be seen again as aggressive, as a state which forcibly conquers and controls an Arab population. Iraq would attempt to thwart this process, and the Arab world, in my opinion, would not favor an aggressive Syrian involvement in Lebanon.

[BAMAHANE] Would Israel favor this involvement?

[Shahaq] I do not speak on behalf of Israel.

[BAMAHANE] What might the implications of Syria's course in Lebanon be for Israel?

[Shahaq] There are implications for Israel; however, I do not wish to treat them.

[BAMAHANE] The Arab states which gathered at the summit in Morocco did not succeed in reaching an agreement regarding the Syrians in Lebanon. Can one learn from that something about Arab unity, which is discussed as if it were becoming a reality?

[Shahaq] There is currently no unity in the Arab world. We knew this before the summit in Casablanca, and it is clear after the summit.

[BAMAHANE] Yet, there is dialogue.

[Shahaq] Dialogue is important in itself. The fact that all the Arab leaders participated in the Casablanca summit is also an achievement for King Hassan of Morocco, who worked for the arrival of all the Arab leaders. Nonetheless, it is a fact that Saddam Husayn left the summit before the final communique was read, apparently dissatisfied with something, presumably the decision regarding Lebanon, which did not in fact call on the Syrian army to leave the state, resulting in continued exchanges of fire.

It must be understood that unity is not achieved in one summit or one meeting of people. However, an opening exists for new beginnings, inasmuch as Arab leaders met together for several days and shook hands. Nonetheless, one must examine interests, not meetings. There is no doubt that prominent clashes of interests currently exist among a segment of the Arab states, mainly those suffering from very substantial economic difficulties and states of which a segment is in true distress, which has a bearing on internal unrest and relations between them.

[BAMAHANE] There was a claim, which is perhaps somewhat historical, that the only common denominator of all the Arab states is hostility toward Israel. Is this claim still valid?

[Shahaq] It is currently impossible to generalize about the Arab states. We have a peace agreement with Egypt. Therefore, we cannot speak of all the Arab states. De facto relations which exist with some of the other Arab states are devoid of clear hostility. On the other hand, there are states such as Syria, and not Syria alone, which carry the banner of war and perpetually declare that a solution between them and Israel can only come through the humbling, weakening or defeat of Israel. Therefore, I have no reservations about roughly dividing the current Arab world into what could be called pragmatic states and more militant states.

[BAMAHANE] You stated that there is peace, and this definitely distinguishes Egypt from the other Arab states. However, is this peace stable? Are there not underground currents, for example in Egypt, which are gnawing away at it constantly?

[Shahaq] Currents exist everywhere life exists; activity exists. The peace between Israel and Egypt has endured for more than 10 years. Moreover, it too is based on interests. I believe that the continued preservation of peace is among Egypt's clear interests. Egypt has internal difficulties. Not everyone is happy with peace with Israel, but the Egyptian leadership is committed to this peace. Therefore, in my estimation, Egypt will continue to preserve this peace in the approaching years.

[BAMAHANE] As long as the interests continue?

[Shahaq] Certainly.

[BAMAHANE] Following the recent demonstrations in Jordan, how do we view the stability of the king's regime?

[Shahaq] There are difficulties in Jordan. The king's stability reminds me of a game of roulette which the house always wins. It seems to me that he is the most stable leader in the Middle East. No one has been in power for a longer period. I think that Hussein is a very dominant and experienced leader who is well versed in the Jordanian kingdom's domestic problems and in foreign relations. He is rooted in, and rules over, his state. Without doubt, the recent disturbances, whose source is not on the periphery, but in central elements in the Hashemite Kingdom, constitute writing on the wall which appeared as a result of very substantial economic difficulties, great pressures, and the perception that there is corruption in the regime, which cannot be reconciled with current calls for belt-tightening.

However, we must ask ourselves: What is the common denominator of the Jordanian state, and what will happen when—without specifying a date—the king leaves power? A clear answer, I believe, cannot be provided, because it would depend on the circumstances. However, at the very least, there are elements of unrest in Jordan, including not only the Palestinian presence, which constitutes over 60 percent of the population, but also elements called authentic Jordanian elements. Dissatisfaction also prevails among them, and this dissatisfaction could one day combine with other elements to cause change.

[BAMAHANE] During the unrest in Jordan, it was said that this is King Hussein's intifadah. Was this an intifadah? Could it develop into the dimensions of an uprising?

[Shahaq] There were riots in the street. I do not know what an "intifadah" is. Riots occurred after a very long period of quiet. The similarity between what happened in Jordan and events in Judaea, Samaria and Gaza is that television taught the Jordanians which weapons are currently effective in street battles against an army.

[BAMAHANE] Jordanian television or Israeli television?

[Shahaq] Both, mainly Israeli television.

[BAMAHANE] Regarding the intifadah, it was once said that the PLO was also surprised by the outbreak of events and later tried to hitch a ride, perhaps on the events themselves. To what extent is the PLO involved in events, and to what extent does it influence them?

[Shahaq] There are very close links between the residents of the territories and the PLO. Such links assume many forms. Some links are semi-open, such as the broadcasts of Radio Baghdad and other broadcasts. Others are through secret or semi-secret channels. Coordination and cooperation exist, and there are directives. Also, there are leaders in Judaea, Samaria and Gaza who are

identified as PLO leaders, members or supporters, or as people who are not required to receive orders from abroad, but can initiate activities here in the field.

[BAMAHANE] Do they receive orders from abroad?

[Shahaq] A dialogue exists, and directives and orders arrive from abroad—yes.

[BAMAHANE] Can the intifadah be dissected into two orientations, one of which is a civilian uprising and the other an armed struggle against Israel; or, is the civilian uprising expected to lead ultimately to the use of firearms?

[Shahaq] The struggle between the Palestinian population and Israeli rule has so far existed without arms. Their gains were irrevocable. Therefore, we saw them continuing to use the same weapons. The meaning of "without weapons" is without firearms, not without weapons. Gasoline bombs and stones are weapons. Without firearms, they obtained international sympathy and support and even support inside the state of Israel from part of the population.

[BAMAHANE] This is also perhaps important to understand whether there is truly a chance of there being another option regarding another leadership in the territories.

[Shahaq] According to the leaders, we know that weapons exist. Quantities are unknown. Some say more, some say less. Some possess weapons. In my estimation, that cell in the territories, would not carry out an attack with firearms. This cell circulates in the field with weapons with the intent to act against local Arabs viewed as collaborators, or to settle accounts with whomever they wished. They encountered an IDF force, and they fought. They used these weapons. This could happen again. However, as long as they continue to perceive that a gasoline bomb, stone, and knife will bring them gains such as those achieved in the last 1 and 1/2 years, I believe that they will not opt to use firearms.

[BAMAHANE] Let us return to the option of another leadership.

[Shahaq] What is another leadership in the territories? Do you mean another Palestinian leadership, or is it possible to separate the Palestinians living in Judaea, Samaria and Gaza and ask: Will they select their own leaders and become disconnected, or will there be another entity which is not dependent on the PLO leadership abroad? There are leaders in the territories. Are new leaders developing in the villages and cities? In my estimation, yes; however, they will not emerge in the next 1 to 2 years. It will take time. Let us assume that the younger generation, which is currently leading part of the uprising, will be the basis of the growth of the leaders of 5, 10 and 15 years from now. However, in Judaea, Samaria, and Gaza the leaders are currently known. Their names and with whom they identify are known. We have seen that not everyone is PLO or Fatah. In

recent weeks, we saw the arrest of Hamas [Islamic Resistance Movement], a movement which has accumulated, at least in Gaza, great strength among the local population. There too, there is another leadership, a leadership which has coordinated with the PLO, but is not part of the PLO or its political line. Hamas is also present in Judaea and Samaria, but they have much less weight there. On the other hand, there are also fronts which do not go hand in hand, certainly not with Fatah. Even if some of them are PLO members, they do not identify with the political line currently being taken by 'Arafat. To the best of my understanding, even within Fatah itself, more than one opinion currently exists regarding a solution, or the chance and correct way to reach a solution. Not all of them support 'Arafat's course absolutely. However, these people are identified. They are not new people. I do not know by which tactic they will behave toward the state of Israel or others.

[BAMAHANE] Is there any political course which Israel might pursue which might result in the growth of another leadership with whom we could meet in one or another framework?

[Shahaq] I do not know how a leadership grows. It is clear to me that this is not a process of weeks or months. Therefore, I think that we currently know who the leaders are on the Palestinian scene in Judaea, Samaria and Gaza, and with whom they are identified. I have doubts regarding the extent to which they would be willing to make independent decisions and organize themselves as an independent, autonomous body, because, first of all, they would be threatened from abroad, and secondly, some of them would not even wish to take this step without threats from abroad.

[BAMAHANE] In your opinion, has the uprising in the territories strengthened the willingness of the Arab states to embark on an armed struggle with Israel, or, is there actually no connection, and the processes are in fact a cause for optimism regarding acceptance of the existence of the state of Israel and a growing willingness to recognize it?

[Shahaq] It seems to me that the Palestinians and the Arab states have come to understand that Israel also has endurance regarding the uprising. At the start of 1988, many residents of Judaea, Samaria, and Gaza felt that "we have almost reached the cherished goal." 'Arafat also declared recently: "We are 1/4 hour away from an independent state." This 1/4 hour has become very, very prolonged, if indeed it has any chance at all of becoming a reality. It is currently clear to everyone that Israel has endurance in matters open to debate, and it certainly has extraordinary endurance in matters not open to debate. The Arabs know this. The existence of the state of Israel is not open to debate. If the state of Israel becomes threatened by other states, on this there will be no debate. The recent period also permitted the Arab states to understand that the state of Israel is still strong enough to compete with the challenge which they can pose to it.

[BAMAHANE] Recently new voices have been heard, even in the army, which define the activity in the territories as war. Has anything changed regarding the IDF's treatment of the intifadah, or is this just a matter of definitions?

[Shahaq] From the standpoint of the Palestinians, this is undoubtedly a war. In my opinion, they are prepared for it in terms of morale and the psychological readiness of the entire Palestinian population in the territories. They view the uprising as a war, whose weapons are world public opinion, stones, gasoline bombs, knives, and when necessary, firearms.

The state of Israel is conducting a war within its borders, in the legal framework of the state. The IDF is acting in this framework, parts of which make it difficult for it to operate. Several incidents appeared only recently in the headlines, including deportation and other topics. We operate within the law, while the other army operates without laws. The law known as "in war as in war" holds that the two sides usually cancel the existing laws under which they operate. Here, one side has removed itself from the law, while the other side is operating within a legal framework, thus giving rise to the difficulty against which the IDF is pitting itself.

[BAMAHANE] Is that to say that definitions certainly have meaning?

[Shahaq] They certainly have meaning.

[BAMAHANE] While the IDF has long been careful about using the term "war" regarding events in the territories, it is currently less careful, and you hear voices defining the reality as war....

[Shahaq] An army does not decide to go to war. A state or government declares war. I repeat, words implicitly do not lack meaning. The uprising is in part a competition of words. Some events occur only for the sake of subsequently creating words. Therefore, words must not be underestimated. However, as I said, the basic problem is that one side is fighting without any legal framework, doing anything which it deems correct to achieve its objectives, while the other side is operating within a legal framework.

[BAMAHANE] When the uprising began in the territories, it was said that it was not in the area of responsibility of AMAN [Bureau of Military Intelligence]. Has anything changed since? What is the extent of your involvement in monitoring events, and evaluating and drawing conclusions from what is happening?

[BAMAHANE] AMAN is responsible for evaluating national intelligence, which contains an extremely central, important layer called the Palestinians. In this area, AMAN continues to provide what is required of it. Coverage of all activity within the borders of the state of Israel has never been AMAN's responsibility. Rather, such coverage is among the responsibilities of bodies responsible for internal security in the state of Israel.

These rules have not changed. Anyone who has had to deploy in the face of the new situation has done so. However, the distribution has not actually changed.

[BAMAHANE] Is AMAN being affected by the leakage of parts of its intelligence evaluation of the situation? Has publication itself, as was published, had an effect?

[Shahaq] I do not know. AMAN comprises very many people, all working in their respective fields. Some are occupied with extensive collection activity and some perform intelligence evaluations in producing intelligence research products. Therefore, AMAN is not just some body. It comprises people, each of whom, I would assume, views matters differently, perhaps absorbing them differently and perhaps being influenced by them differently. AMAN must create tools for the use of the military and senior political echelons in their work. That is its duty and objective. When AMAN does this differently, or when someone else uses AMAN for other matters, all of us, in my opinion, are damaged, not just AMAN.

[BAMAHANE] You mentioned that many people work in intelligence, each having his own viewpoint. To what extent are these people independent? To what extent does AMAN encourage independent thinking, and how is this encouraged in the hierarchical military system, in which everything ultimately ascends from rank to rank until it reaches you? This point is all the more important when the political echelon, which is the consumer of the intelligence appraisal, does not always accept AMAN's appraisal.

[Shahaq] I do not understand that to mean AMAN, but rather a very small body within AMAN, the research group, which is concerned with summarizing intelligence appraisals. Therefore, I stated that a decided majority of the people in AMAN deal with other activity and are not concerned with these matters, because they are concerned with other matters. The entire collection side is carried out by very many people in many areas. Only a relatively small group wrestles with the material gathered by the collection units and develops intelligence appraisals based on it. Finally, AMAN's position must also be summarized.

[BAMAHANE] What is meant is the degree of independence—to what extent can a low-ranking officer express an opinion if he wishes to do so? How high can he go?

[Shahaq] A low-ranking officer can go to the head of AMAN.

[BAMAHANE] Contrary to his superiors?

[Shahaq] Contrary?!

[BAMAHANE] If his thinking differs.

[Shahaq] One whose thinking differs is not contrary. It only means that he thinks otherwise. A different opinion is not contrary. It is a different opinion and should be

seen as such. When it becomes a matter of "contrary," apparently there will also be fewer diverging opinions.

[BAMAHANE] Have junior officers come to you with different, other opinions?

[Shahaq] Very few have come. However, people write. There is also a control department in AMAN, whose duty is absolutely clear: To encourage other opinions, examine the situation and see whether other developments are possible. I do not know if this is good or bad, but there is not one calculation and another analysis of a situation with arrival at other conclusions based on the same information.

[BAMAHANE] Does it happen that you actually accept the position of the control people?

[Shahaq] It does not happen. I am not dealing now with which opinion I accept. We are not engaged in arbitration now. Different opinions are expressed. In most discussions, more than one way of thinking emerges regarding the direction in which matters are moving. Our basic concern is with processes which are about to unfold. By their nature, processes are influenced by many factors, many of which are unknown to us. We try to predict the development of a process based solely on a segment of the information which exerts an influence and on the thinking and discernment of some of the people who arrive at a conclusion, when sometimes they have not even decided how a process will develop. The fact that they reach a decision does not mean that a process will develop as they think. Therefore, dealing with these matters is very difficult. It is also very interesting. However, it is implicit that many opinions are also heard in this room, and there are more than just a few cases in which substantially differing opinions are heard.

[BAMAHANE] Recently, we have heard increasingly that the political echelon does not always accept the intelligence appraisal of the situation. Would you, for example, be comfortable at present if the political echelon had its own staff body, such as a national security council, which would make its own evaluation of the situation?

[Shahaq] It is not known to me that the political echelon does not always accept intelligence estimates. But this is not a question of whether to accept or not to accept an intelligence estimate. The political echelon makes political decisions based on the intelligence estimate. Intelligence does not recommend decisions or directions which must be taken by the state of Israel. We do not recommend what to do to the political echelon. Our duty is to provide the political echelon with information so that it can decide what to do. There is no debate over the information which we supply or over estimations. There are opinions on estimations; here, too, there is more than one opinion. I think that the political echelon also has not a little political experience which AMAN lacks and will never have, and which is also a central layer for whoever has to make a policy decision.

[BAMAHANE] On what are these other estimates based in the political echelon?

[Shahaq] These estimates are based on a political understanding and on the discernment of political processes. We are not solely concerned with military subjects. A large part of AMAN's preoccupation is also with political subjects. We have no experience, none of us has dealt with political subjects. At the most we read.

[BAMAHANE] Hence the development of the concept of a national security council, which is a comprehensive body.

[Shahaq] I did not forget the rest of the question; however, I have not dealt with the first part, namely, what exactly are the areas of responsibility of the political echelon and AMAN. There is no overlapping between these areas of responsibility. AMAN has a defined responsibility. The political echelon decides, acts and issues directives.

Regarding a national security council, such a body would not compete with AMAN. A national security council would have to recommend possible courses of action to the political echelon. AMAN would continue to provide all concerned bodies with an intelligence evaluation so that they can develop recommended courses of action for the state of Israel. However, a body such as a national security council in the United States or other places does not substitute for the intelligence bodies. It is a tool or staff body of the political echelon, cabinet, or government which ultimately must make decisions. It is a body which must take the intelligence which it receives from the different intelligence bodies and integrate it with the political directives which it receives from the political system. Based on a combination of these and other factors, it must recommend possible courses of action for the state of Israel.

[BAMAHANE] However, such a body would obviously also have tools to perform intensive research on different problems, even though the same elements exist in the IDF or other arms.

[Shahaq] I would have doubts about such a provision. In my opinion, this body would not research intelligence problems in lieu of intelligence researchers. I assume that such a body, if it existed, would receive the intelligence product. It could dispute it, request clarifications regarding it, and request that a certain subject be researched in greater depth. Nonetheless, it should not be intended to replace the intelligence or intelligence research bodies. Incidentally, I have no objection to the establishment of such a body. A national security council is not an intelligence body or need. If it is a need, it is a political need of the political system. Whenever this system agrees that such a body is needed, I assume that it would establish it.

[BAMAHANE] From time to time we hear that intelligence is surprised. Last year and in the past 2 years it was

surprised by the end of the Iraq-Iran war. It was surprised by the intifadah. You already said that intelligence was concerned with processes, that there can truly be surprises in processes, and that every process cannot be expected. However, were these two examples really surprises, and do you take into account in your work the possibility that you will be surprised?

[Shahaq] Intelligence must satisfy many people. Regarding all types of incidents, there are always many people who are happy to proclaim—without truly understanding much—that intelligence was caught off guard. Our duty is to make people happy. If I am to be connected to these two subjects, I do not wish to be connected to the intifadah. It is a fact that none of us estimated that the uprising would begin on 8 December. However, as I said earlier, I do not intend to hide behind this, because AMAN was not responsible for this area. Was the state of Israel surprised at high levels, including the intelligence bodies? I think not. I am familiar with written material and verbal appraisals indicating that the situation was liable to deteriorate in these directions. Did some estimate—I truly did not see a paper stating that this would happen on 8 December. However, I sat in more than one forum, in which an uprising was discussed as one of the possibilities, including analyses of what could cause and what could prevent an uprising.

The Iran-Iraq war was also mentioned as a surprise. Indeed, there, too, we were unaware. The Iran-Iraq war came as a surprise to the Iranians and to a certain extent to the Iraqis. We monitored the war process, but very much from afar. It should be remembered that our primary mandate is to provide warning of war to the State of Israel. True, we are very interested in other matters. We estimated the end of the Iran-Iraq war as well, but we could not indicate the exact date. Nor did we think that it was terribly important whether it happened this month or another month. We said that there were processes bringing the war to an end. Therefore, I do not think that we were mistaken in this matter, even if we could not estimate when the war would end. In addition, we did not invest many intelligence inputs. We invested much more in what is happening in the confrontation states and in the area of hostile terrorist activity. We thought that it was much more important to warn about a cell which would attack at the northern border or against any settlement in Israel than to know the exact date of the end of the Iran-Iraq war. However, we do not say this in self-defense. Because of the deployment of our resources, we do not view certain processes as being so important to us as to warrant precise indication of matters relevant to them. Also, other factors pertaining to technical or other developments inside Iraq or Iran were of no less interest to us than the exact date of the end of the war. I would add that, to my regret, we do not always have what we want to know.

[BAMAHANE] Dr Tzvi Lanir, who proclaims himself a former intelligence officer currently occupied with research, states in an article which he published: The intelligence services excel in identifying the location of

the adversary's units and combat means; they have impressive accomplishments in this area, but they frequently err in evaluating the meaning of developments. Is that so? Is he referring primarily to research or to conclusions?

[Shahaq] If he is talking about meaning, it is certainly in reference to research. If he is talking about the Yom Kippur War, he is correct. The moment you gather information, you create a picture and put together a puzzle which is entirely clear. That is to say, if you succeed in gathering all of the parts of the puzzle and lack several pieces of the picture, you can assemble them by means of your imagination if you know the precise size of each army and its regular deployment. If you see this, you can create a complete picture. It is doubtlessly much more difficult to predict a political process, which is much more complex than knowing and providing a description of a picture of the deployment of units, because the deployment of units is a currently existing given. You can provide what your eyes see or equipment receives. It is difficult to know political decisions, or a political process, which is usually complex and carried out inside the minds of leaders whose thinking and decisionmaking method are inaccessible. Such processes are carried out in more than just one place and state. The influence of each active force on the final result is also complicated. Did one of the Arab leaders meeting in Casablanca truly know what the final communique would be? I am using a relatively simple example. I would not estimate this to be the case.

[BAMAHANE] Did they not prepare the final communique in advance?

[Shahaq] They tried to prepare it. They worked for 2 days on the final communique, agreeing on one which was apparently acceptable to most, though not all, of the participants. Therefore, I have no qualms about agreeing with Tzvi Lanir that it is more difficult and more error-prone to evaluate political developments than to create a picture of the military situation. I have no reservations about this.

[BAMAHANE] That is to say that this belongs perhaps entirely to the field of expectations of what we are allowed to expect from the intelligence system.

[Shahaq] I think that whoever takes it for granted that intelligence is always correct is mistaken.

[BAMAHANE] Given what you said earlier about warning, the issues raised about the Iraq-Iran war are indeed less important; however, warning the IDF about the start of a war is very significant.

[Shahaq] Of course; however, warning of a war comprises several factors, including a political decision and a military deployment. Regarding a military deployment, I assume that it is not only our function, but also our duty and within our power to provide a very, very precise picture. Whoever translates this picture can arrive at conclusions. I think that we must and can say when an

army engages in abnormal activity, and we can translate this abnormal activity. I assume that, in some cases, such activity could be translated into more than one possibility, thus making it necessary to decide whether or not we accept the more serious possibility, namely war, assuming that we evaluate the intentions of the political echelon and do not say that we are certain of them or know them, but that we can only estimate them.

[BAMAHANE] We have spared you personal questions, which are usually scattered in an interview such as this. However, the inevitable question which cannot be waived is of course what is down the road? Will we conduct this interview with you next year as well?

[Shahaq] I think that the IDF spokesman can address that question.

[BAMAHANE] That is not a bad answer, but it is unsatisfactory. When do you intend to complete your assignment? How long have you been serving?

[Shahaq] I do not remember.

[BAMAHANE] About 3 years?

[Shahaq] Approximately.

[BAMAHANE] In an earlier interview, you referred to the length of tenure. You stated, in reference to a question about parachuting AMAN's chief in from outside, that you continue to learn even after 2 years on the job. How long does one learn in this position, and when does the learning and training process end?

[Shahaq] I think that the head of AMAN learns until his final day. It is not important where he comes from and where he is going. In AMAN, one learns all the time. Perhaps this is one of the factors which makes the job so interesting. The learning does not cease. The question of when an AMAN chief feels that he is into his job is a personal matter for each person. Perceptions are an individual matter from the very start. However, I can repeat that the head of AMAN learns until his final day. When is his last day? Sometimes he knows, sometimes he does not know.

[BAMAHANE] Gen Shahaq, thank you very much.

Gush Rabbi Discusses Settler Leadership, Levinger

44230158 Tel Aviv *ILADASHOT* in Hebrew
16 Jun 89 p 27

[Article by Haguy Segal: "The Good Settler Goes Home"]

[Text] The doors of the offices of Gush Emunim and the Judaea-Samaria-Gaza Council are used to being slammed shut noisily by Rabbi Yo'el Ben-Nun. The slam is the last, and quite frequent, note in the constant, loud arguments between him and Rabbi Levinger. It's very hard for them to live together. Especially for Ben-Nun.

At the end of last week, he slammed the door again. This time, he promised, not to come back reconciled as long as Rabbi Levinger is there.

"I am resigning all membership in the secretariat of Gush Emunim and from every other framework in which Rabbi Levinger is a member," Ben-Nun wrote in a mimeographed letter sent to all the heads of Judaea, Samaria, and Gaza.

The last straw was Levinger's pistol. Ben-Nun was shocked when he saw in the newspaper a photograph of the rabbi brandishing a pistol in the entrance hall of the Jerusalem District Court. He also read an account of the proceedings of the first session of the trial of the founder of Qiryat Arba', and heard him on the radio saying "I didn't have the privilege." In explaining the reasons for his resignation from Gush Emunim, Ben-Nun says that if Levinger continues with his methods, we will find ourselves in a civil war.

It's strange that he waited almost a month after the events at the district court before he announced his departure. It seems that continuing pressures from his good friends on the Left had an effect. He himself states that he preferred at first to wait for other voices of condemnation within the Gush Emunim camp: "I wanted to check for once if I am the regular and solitary shouter within Gush Emunim. It's convenient for them to have someone who always condemns unacceptable internal phenomena and neutralizes outside pressures. Then, when I do it and condemn, they hurry to attack me from within: 'Why do you serve those leftists?'"

The vocal resignation did not become the talk of the day in Judaea, Samaria, and Gaza. Rabbi Levinger refrained, wisely, from responding, and the other heads of Judaea, Samaria, and Gaza are also maintaining silence. In the synagogue in 'Ofra, the resignee's place of residence, they were more interested on Shabbat in the visitor Elyakim Rubinstein, the Cabinet Secretary, than in the renewed split in the Gush Emunim leadership. Indifference, Ben-Nun knows already: "There will be no far-reaching internal changes here tomorrow morning, but a process has been started that will lead to the establishment of new frameworks, or to the correction of the existing frameworks. In any event, such a scene as occurred in the Jerusalem courthouse will not be repeated very soon, and if that happens, many will criticize it angrily. Not only I."

It's hard to forget now that Gush Emunim was founded in his home, 15 or so years ago. Secretariat member Ben-Nun, a religious scholar, did not excel in organizing mobile homes and recruiting candidates for settlement. His strength was always in conducting political contacts behind the scenes, in formulating manifestos, and in original political thinking. Already on the night of the great change of 1977, he warned his happy comrades that it would be precisely Menahem Begin who would dissolve settlements. On the eve of the realization of the prophecy, in 1982, Ben-Nun seized Moshav Talmi Yosef

in the Yamit Region in order to protest against the withdrawal. He wrote at the time proposed legislation "to prevent crimes against the people of Israel in its land," as follows: "every act that results in recognition of foreign sovereignty over parts of the Land of Israel constitutes a crime against the people of Israel in its land." Furthermore, "The boundaries of the Land of Israel, for the purposes of this law, will be determined by special legislation, on the basis of the Torah of Israel."

The Lebanon War did something to him. The murder of Emil Gruenzweig, with whom he was acquainted from service in a reserve paratroop division, and the escalation of tension between the Right and the Left, shocked him. He wrote often in NEKUDA in favor of a considerable change in Gush Emunim's patterns of thinking and action, and cultivated close ties with intellectuals on the Left, such as Amos 'Oz and A. B. Yehoshu'a. During discussions with the Left, he clearly expressed willingness for concessions on settlement in the heart of Arab cities.

"It is impossible today to settle in Hebron and Nablus and also to maintain national unity," he said 3 years ago. "If the people of Israel will not be special, in any event we will not be able to hold onto Hebron, or even to Gush Etzion. Stubbornness and delaying tactics will raise the price that Gush Emunim will have to pay in any event, if national consensus is not reached."

The great debate with Rabbi Levinger was revealed precisely over a security matter. Ben-Nun asserted that the rabbi's loud criticism of the government's security failures in Judaea, Samaria, and Gaza was causing escalation and impairing proper governance. When the "underground" was uncovered, Ben-Nun rushed to condemn the group publicly, and demanded from his comrades collective soul-searching. This position won for him—the good settler—much public sympathy and tremendous media exposure. At home, within the Gush, he became a controversial figure.

He was not frightened by the internal criticism. On the contrary, when Daniella Weiss threw bottles in Qalqilyah, Ben-Nun demonstrated outside the offices of Gush Emunim, demanding that she be removed from her position as secretary general of the Gush. In his usual manner, he didn't spare sharp expressions in order to speak his mind about the secretariat of the Gush and about Rabbi Levinger. Ben-Nun understands that there is almost no other way to show the people of Israel that not every settler is a Levinger.

"Most of those in Judaea, Samaria, and Gaza who think as I do are persons who naturally shrink from media exposure and refrain from making strong statements. It's no wonder that their reservations don't break through the media barrier and are not brought to the attention of the broader public. In contrast to them, I am naturally a militant, who struggles zealously for the things in which I believe. That is the reason why I was successful on

several occasions in making the broader public aware that there is a debate within Gush Emunim."

Although Weiss was not removed, she undertook, as did Rabbi Levinger, to consider in future the opinions of the other members of the secretariat, including Ben-Nun. The cease-fire lasted for 2 years. During the first 15 months of the intifadah, the entire Gush adopted a policy of restraint, and Rabbis Ben-Nun and Levinger had no reason for conflict. After all, they have many things in common: they both studied in the Merkaz Harav Yeshiva and served in the NAHAL [Fighting Pioneer Youth], they are easily angered, and are incapable of being on time or of speaking briefly. Among the leaders of the settlers, only Levinger and Ben-Nun arrive at meetings and conferences on public transportation and by hitching rides, because of a common fear of driving. And one more thing: both of them prefer a political alliance with the Alignment to one with the Likud. MAPAI [Israeli Workers Party] pragmatism, may it rest in peace, attracts them more than the eternal revisionist prattle.

It's now hard to believe that they will again sit together in the foreseeable future. Ben-Nun regards Levinger as directly responsible for the escalation in relations between Peace Now and the settlers: "It is clear to me that some of the sharp and crude things that were said about the settlers in Judaea, Samaria, and Gaza at the Peace Now demonstration in Malkey Israel Square, including Amos 'Oz's attacks, were said because of a tremendous disappointment with our silence in the face of Levinger's statements."

[HADASHOT] As I recall, the attacks by the Left against the settlers began even before Rabbi Levinger brandished his pistol in the courthouse.

[Ben-Nun] "Correct, but at different levels. Whoever is interested in public sympathy must cause his opponents not to hate him."

[HADASHOT] Why did you choose precisely AL-HAMISHMAR in order to announce your resignation? When Dadi Zucker has problems within CRM [Citizens Rights Movement], he doesn't go to NEKUDA to pour out his heart.

[Ben-Nun] "My words are directed more to Peace Now than to Gush Emunim. Read the words, not the headlines, and you'll see there more an attack on the Left than internal criticism. I assert that they crossed the red line the moment that they went to meet with the intifadah villages without making the meetings conditional upon the cessation of the terror, and without making such a demand within the framework of the meetings themselves. They thus legitimized stone-throwing, incendiary bottles, and murders, as well. They say, or hint, that the Palestinian people's right to self-determination allows it to murder ordinary Jews in the streets. Amos 'Oz declared that he would not speak with someone for whom the commandment 'Thou shalt not kill' is not an absolute. I regret very much that in his camp, as well,

there is a selective 'Thou shalt not kill.' Among us, there are those who interpret 'Thou shalt not kill' as do not murder a Jew, while on the Left they say that 'Thou shalt not kill' is do not murder an Arab and do murder a settler."

[HADASHOT] Nevertheless, you have more harsh words for Rabbi Levinger than for 'Amos 'Oz.

[Ben-Nun] "Because Rabbi Levinger used an unprecedented sharp style. I don't know of any member of the Jewish people who would do one-hundredth of what Rabbi Levinger did and said in the courthouse, and stay alive politically."

[HADASHOT] You also joined the Left in criticizing the hike in Kefel Hart.

[Ben-Nun] "I myself hike endlessly. Only this morning. I hiked at Har Eyval and the Tomb of Yosef. Hikes are all right. What's not all right are demonstrative patrols. People are indeed not going out to make a pogrom, but they are going out to create a balance of deterrence. They want to show the Arabs that the settlers are crazy and that it would be better to watch out for them. This logic, which also receives winks of agreement from within the system, is the logic of Lebanon. Such things in the end go out of control. No intifadah goes according to the grand scheme of the planners. The Palestinians also lost control of events long ago and began to be swept along. In the next stage, gangs of Jews from the Right will meet gangs of Jews from the Left. One side will come to create a balance of fear in the Arab villages, and the other side will come to protect them, and then the great catastrophe will begin."

[HADASHOT] You are splitting your camp for fear of civil war?

[Ben-Nun] "If—and I say if—your camp is going to wage civil war because it feels strong, it's preferable that it be weak."

[HADASHOT] I am not acquainted with anyone in Gush Emunim who is capable of shooting a Jew.

[Ben-Nun] "I wasn't speaking of a war of brothers, but of civil war. When there is no feeling of amity, everything is possible. In Lebanon also people did not plan civil war from the beginning, but it came."

[HADASHOT] If we are on the verge of civil war, maybe you'll give everything up and go back to Haifa. After all, the leftists always say that the root of all evil is in the settlement itself.

[Ben-Nun] "I don't accept the Left's determinism that, as it were, it was foreordained that control of Judaea and Samaria must bring problems. There is another possibility, and that is that the government will give the IDF [Israel Defense Forces] the tools to impose order, and then everything will be resolved peacefully. In contrast to the chief of staff, I think that there remain ways to finish

the intifadah short of a slaughter, a transfer, or starvation. The IDF must take back deterrence. If they blow up in 1 week all the houses that they will blow up anyway in the next half year, or expell immediately all those who will soon be deported anyway, there will be a dramatic calm. I guarantee that."

Ben-Nun's criticism of Peace Now does not pacify the growing number of his opponents within Gush Emunim. In the Gush's offices, they remember that already 1 year ago he submitted to Rabin a plan that proposed the departure of the IDF from the centers of Arab population, and they worry that in the name of the need to obtain national consensus, the man will go even further in the near future and propose private political initiatives that will cause the settlers unpleasantness.

Ben-Nun, for his part, refuses to relate specifically to the political plans that he is putting together at the moment with outstanding figures on the nonparliamentary Left. He promises only not to make the slightest change in the order of his prayers, in the historic credo of Gush Emunim, though "throughout the years, I differentiated between pragmatism and belief. There are situations in which it is necessary to choose between bad and worse. That does not belong to faith, but to surgery. I don't remove from the realm of possibility that we will have to take all kinds of measures outside the framework of what we believe in, but as a rescue operation. The problem is that when you make a plan public, people mistakenly relate to it automatically as a declaration of your beliefs."

Former Gush Emunim Rabbi Speculates on Consequences of Intifadah

44230150b Tel Aviv MA'ARIV (Weekend Supplement)
in Hebrew 30 Jun 89 p 6

[Article by Mikhal Kapra]

[Text] On 15 June Rabbi Yo'el Ben-Nun came out with a statement for the media—and his choice was precisely, or for some reason, the rather leftist 'AL HAMISHMAR newspaper—that he was quitting the secretariat of Gush Emunim, and that he did not regard himself as in any way a part of the Gush so long as Rabbi Levinger was in it. It appears that this day did not become a part of the annals of Gush Emunim, but a small tremor of emotion passed through the non-Gush Emunim reality.

When a rabbi, a spiritual-religious leader in the Land of Israel, differentiates between Jewish blood and Arab blood, and the term "the Jewish intifadah [uprising]" assumes an honorable place in the language as if it were a comradely expression from the days of the PALMAH [Strike Force of the Hagana], Ben-Nun rises and makes such a simple statement: "If a man, as such, is not a human being—then we're in the depths." In so doing, he says first of all—"We're in the depths."

Gush Emmunim is not a tolerant society. There were those who called Ben-Nun a traitor, and it was generously suggested to him that he join the despised Peace Now. One woman even took the trouble to involve her digestive tract and told a journalist who happened by that Ben-Nun nauseated her. Even Ben-Nun's repeated attempts to shout out that he reached this conclusion, these depths, precisely because of the behavior of the Left and not necessarily that of the Right, didn't help clear him.

So Rabbi Yo'el Ben-Nun quit Gush Emmunim. And, actually, it's a bit sad that the scandalous fact that grabs newspaper headlines is not that in the Israeli reality the recognition that a man, as such, is a human being has evaporated, but rather that a man got up—a settler, a rabbi, a Gush Emmunim educator—and said this. The statement in itself is news, not its content. Perhaps the content already is passe.

And reality, in its own way, has already taken care of dramatizing the content in the person of Rabbi Levinger gesturing with his pistol and declaring in the courthouse that he deeply regrets not having had the privilege of killing the Arab. A privilege, he says. And the Levingerian pistol-twirling arouses in Ben-Nun the fear that leads to the impulse to prophesize: "If Levinger has control, this will be a victory for the PLO. Yes, yes. It will lead to the rule of the Palestinian knives in the Arab street and unending clashes between the Jewish and Palestinian populations on the scale of a civil war. And the day is not far-off when Israeli leftist groups will enter into this conflagration."

[MA'ARIV] As victims?

[Ben-Nun] "Not only as victims, but mainly as defenders of the Palestinian population. War between Jews will not break out directly. That's true. There are strong inhibitions, but it could break out through a Jewish-Arab civil war."

[MA'ARIV] Is this a prophesy, or do you already see signs of it?

[Ben-Nun] "Certainly I see signs of it. I see the demonstrative patrols of the settlers in the villages, which are sometimes violent patrols, and I see the visits of Peace Now in the Arab villages, and I understand that the day is not far-off when the army will find itself in the mandate role of separating the antagonists. The IDF [Israel Defense Forces] will not be able to bear that. And then the disintegration will come. With right- and left-wing groups meeting inside an Arab village, opposing each other, with the Arabs in the middle, then the disintegrative forces will operate on the army, as well. I'm doubtful that the army will be able to bear that."

Ben-Nun, who insists on expressing independent views, aroused the anger of his comrades when he openly opposed their statements and Jewish acts of revenge led by Levinger and Daniella Weiss, his wife and assistant.

[Ben-Nun] "I do not want to understand the Jewish intifadah, I don't forgive it, I don't accept it, and I fight against it. I spoke out against the Jewish underground, against the ways in which the Gush Emmunim secretariat operates, and now I don't shrink from battle against the Jewish intifadah. But my power and that of others has diminished. I stand at the barrier and signal to everyone who wants to listen that the barrier is beginning to be overwhelmed, not because I want that to happen, but because I can no longer stand in the breach. For a year and a quarter there was restraint in the Jewish settlements, extraordinary restraint under most difficult circumstances, and that didn't just happen. Someone worked for that. Someone struggled—and not only I. Since the incident of the bottles (the throwing of bottles by Daniella Weiss in Kalkilya, in May'87—Mikhal Karpa), the entire Gush Emmunim secretariat agreed that the struggle would not be conducted by underground means, or by counter-terror, or acts of punishment, or violent demonstrative patrols. And this agreement led me to cease my war for the replacement of the leadership of the Gush."

[MA'ARIV] Perhaps the restraint was artificial and did not stem from the belief that this is not the way?

[Ben-Nun] "No. What caused the outburst was the daily build-up of existential fear, which reached its peak in the last few months, when on the one hand, the Israeli government led with the diplomatic plan and, on the other hand, it thinned out the forces and altered the military set-up in the field, in order to create a good atmosphere for negotiations. When things reached the point where even in Ashqelon and in Ashdod they began to riot following the wave of murders, the restraint collapsed and the Jewish counter-intifadah began which, to my regret, is receiving both practical and spiritual-moral-Halakic backing. Even individuals who repudiate it openly are giving it implied support."

[MA'ARIV] Perhaps the breaking of the policy of restraint stems from the fear that the diplomatic plan will, indeed, succeed?

[Ben-Nun] "No. The breaking of the policy of restraint stems from all the factors that I mentioned and an additional factor—the Left's legitimization of the Arab intifadah. Already at the beginning of the intifadah about a year ago, we heard members of Knesset saying that this is a legitimate struggle for national liberation. In recent months this tendency has intensified, and, from my viewpoint, the meetings of leftists with the Palestinians was the crossing of the danger threshold. This is not a popular civilian uprising a la Peking, accompanied by demonstrations and strikes, but a violent and terroristic struggle. This is war."

[MA'ARIV] And if the Palestinian uprising had remained within the limits of strikes and demonstrations, would you understand it and express sympathy towards it?

A silence.

[Ben-Nun] "That is too hypothetical a question—too up in the air, and I find it difficult to relate to that question."

[MA'ARIV] And Levinger and his clique terrify him by their actions, but the Left, the Left, he says, are to blame.

[Ben-Nun] "The acts of the Left and their statements turn the intifadah into a norm. They justify it, understand it, and show willingness to forgive it, and that leads to a situation in which it is impossible to stop the Jewish counter-intifadah."

[MA'ARIV] You, who sharply criticize the hatred towards the Left, the hostility towards it, and the gulf that this hatred creates, are, in effect, legitimizing this hatred yourself by your statements that the Left has legitimized the Arab intifadah.

[Ben-Nun] "I don't encourage any hatred. The phenomenon that the Left is legitimizing the intifadah is real, the media give it extraordinary power, and I do not feel that I am exacerbating it by emphasizing it."

[MA'ARIV] By the way, the very same Left that you accuse of encouraging the intifadah, participates in the struggle against it perhaps even more than the yeshiva students.

[Ben-Nun] "There are many leftists in the IDF. The IDF is the arm of the government of Israel and the people of Israel."

Ben-Nun, who attempted in a time of terrible hatred to establish a rare dialogue with the Left and its representatives, is left today, in a sense, as a double loser. He stands alone, disappointed by both sides. With brilliant analytical ability, in a gentle but assertive tone, with endless forgiveness, he meshes his disappointment with the Right with his disappointment with the Left. The Right behaves in some way, because the Left behaves in some way. And, in an artfully constructed embroidery, he depicts Israeli reality as a bitter disappointment by two erring blocs, each of which aggravates the other's error, and which will finally bring about civil war. "And the Left," he says, "can no longer be partner to a dialogue."

"And the straw that broke the camel's back," he says with the calmness of an educator, "was the initiative of my friend Rabbi Menahem Forman before and following Peace Now's demonstration in Kikar Malkei Yisrael. His initiative was to issue a joint communique with Peace Now that contains only the banal things to which everyone agrees, including the commandment 'Thou shalt not kill,' which stands above all viewpoints, opinions, or solutions, and encompasses all human beings, Arabs, and settlers. I had introduced into that communique a sentence that clearly expressed complete opposition to any legitimation of Jewish or Arab terror. And I had an argument over that with Rabbi Forman. He said that it wouldn't be accepted. And I said, 'Try.' And they deliberated it for 2 days, and in the end it fell. The formal

explanation was that there was nothing new in it, and that it was banal and elementary, but, informally, it was stated that you will not be able to get out of us support for the suppression of the intifadah.

"From my viewpoint, I made that move as a decisive attempt to put the dialogue to a real test, and it failed. That basic, common recognition that people are human beings, whether they are Arabs or Jews, leftists or settlers - that recognition came apart. If that is broken, and a settler as such is a monster, and a leftist or a media person as such is an enemy—then we are in the depths."

[MA'ARIV] That is a very serious accusation against the Left, which glorifies in its impartial humanism.

[Ben-Nun] "Yes."

When 'Amos 'Oz visited 'Ofra in 1981 a dialogue was opened between the Right and the Left.

[Ben-Nun] "'Amos 'Oz' motto then was that Zionism is a family name, a confederation of dreams, none of which will, perhaps, be realized. But the dreamers succeeded in finding a pragmatic basis for joint action despite the tremendous differences regarding the final station. This legitimized the dreams, while joint action was undertaken. Whoever did not accept this, intended and intends today to say that his own dream must be realized, must be the sole and dominant one, and must defeat the other dreams. In my eyes, such a person says that the state of Israel will be as he wants, or it won't be at all. I don't give up my dream, but rather forego such a condition. Because those who make their dream conditional are leading to the destruction of everything."

And his dream, he says, is a religious and moral national revival of the people of Israel in the Land of Israel. And his explanation is no less abstract than his definition. When I ask him, somewhat delicately, if there will be room for secularists, he continues to hole up in the noncommittal abstractness.

[Ben-Nun] "In our sources, secular means foreign. And Jews are not foreign. My dream is based ultimately upon freedom and not upon compulsion. I believe in a process of choice, that will result in identification with the Torah of Israel. Most of the secular public is convinced that the main message of the religious public is compulsion."

[MA'ARIV] And they have something to go on there.

[Ben-Nun] "Yes, they do. The religious public speaks about choice for the time being, until we take over. And that is a mistaken approach. Whoever wants to win through compulsion will fail, whether the issue is Shabbat, the Land of Israel, or the status of women."

In an article he wrote years ago, during the Sebastia affair, it is stated: "The Judaism of Torah and commandments is above the law."

[Ben-Nun] "I once wrote an article in MA'ARIV, in which I stated that everyone has values that are above

the law. I believe that there is no one who does not have moral danger thresholds that are above the law. In my eyes, an order barring Jews from settling in parts of the Land of Israel is such a threshold."

[MA'ARIV] Are you not in that way upsetting the rule of law?

[Ben-Nun] "If a man is willing to pay the price for violating the law, that is not upsetting the rule of law. At that time, I wrote to the Legal Advisor to the Government and requested that he hand down an indictment against me. He refused. I think that it was his obligation."

[MA'ARIV] The members of the Jewish underground, whose actions you opposed so strongly, could also use the same argument about values that stand above the law.

[Ben-Nun] "I think that there is no basis for a comparison between an illegal demonstration and terror. If they pass a law that would obligate me personally to desecrate the Shabbat, Heaven forbid, then I will violate it and will be willing to pay the price and will be willing to go to jail without crying or shouting. Every person should understand that to go beyond a framework is a very extreme thing."

[MA'ARIV] One of the arguments against you was that the weltanschauung of you and your friends was what brought about the extremism that you oppose today. Don't you have any second thoughts about the correctness of the idea?

[Ben-Nun] "There is nothing defective in the idea. The men are defective, not the ideas. Levinger wants a balance of deterrence where the IDF did not succeed, because it is limited by law, courts, and morality. And this balance of deterrence entices with its logic many persons who are swept along. Certainly it can deter in the short run, but there are enough Palestinians who not only are not deterred by it, but are overjoyed by it. Here anarchy is created. And this is the beginning of the loss of the state, a return to the days of the disturbances. And that horrifies me also in a basic moral sense, meaning that we are founding our settlement in the Land of Israel not upon ideas, and rights, and morality, but simply upon brutal force, on the level of gangs."

[MA'ARIV] And rule over another people for 20 years conformed with the ideas of rights and morality?

[Ben-Nun] "I didn't have a problem as long as they accepted, de facto, Israeli rule. Among other things, I do not accept the classical formula of corruption. I think that if there will be peace and an open border, we will become a ruling people to the same extent. Our insensitivity during the period of retaliatory raids in the '50's was several times greater. And when we send a pair of planes on Shabbat against terrorist positions in Sidon and an entire nearby area is hit—isn't that greater moral insensitivity?

"But whoever thinks that it is possible to go back to the way things were and rule them for another 20 years is wrong. A different generation has grown up here, which is more similar to us than to the Arab world. Here there is a paradox: the more you annex, the more they become de facto citizens. It's impossible to continue to have it both ways: that there should be a submissive public and that it will also be an integral part of the State of Israel."

[MA'ARIV] That is to say, you are for relinquishing the territories?

[Ben-Nun] "In the way that you formulated the question—no. I don't own the Land of Israel. From an ideological viewpoint, I am for annexation; but I think that it is impossible, and if the problem must be solved practically, then we must give them up."

[MA'ARIV] And the Giv'ati trial does not arouse in you thoughts about corruption?

[Ben-Nun] "It's sad. In this case, the hole and not the mouse is the thief. It was somewhat unfair to attempt to blame everything on the simple soldiers. After all, the idea of beating the Arabs came from above, and we didn't see the command structure receive any real treatment."

[MA'ARIV] And what about the trial? Did you support its being held?

[Ben-Nun] "There is a problematic element that the very holding of the trial encourages hostile elements. Beyond that—it's a very serious problem."

And perhaps the question that should have come first is: Yo'el Ben-Nun, let's leave politics, how do you feel when you read in the paper that a plastic bullet struck a 2-year-old child in the eye, or that a child was wounded or killed? And Rabbi Yo'el Ben-Nun, one of the leaders and architects of Gush Emmunim, and one of the more moderate ones, answers: "I cannot split myself up into components such as a human being, a public figure, or a cleric. From the human viewpoint, it drives me crazy. But it is completely clear to me that every Arab killed is another step towards a Palestinian state and another failure for us."

Collective Punishment, Other Measures May Be Gaining Ground

44230154a Tel Aviv 'AL HAMISHMAR in Hebrew
21 Jun 89 p 8

[Article by Gabi Bashan]

[Text] If it weren't for the military barrier, and the police and soldiers milling around it, one could have thought that a mass picnic was going on. A more careful eye would have noted that this picnic lacked children.

There also was no great joy there. Those tens of persons, most of them women, who gathered next to a mound of earth at the side of the road, did not come to spend the

sunny Shabbat at the northern approaches of Qalqilyah. It was another attempt by activists of the Left, on the initiative of members of The 21st Year movement, to enter the city and demonstrate against the demolition of the home of Yusuf Muhammad al-'Adil Da'ud. Another attempt, 2 weeks ago, ended with the arrest of some members of the group. Most of those who had been arrested decided not to come to the present demonstration, perhaps for fear that their appearance there would influence their trial—and their chances to get back their passports, which were seized prior to the coming summer vacation. The police photographer, who photographed the demonstrators, only justified their earlier fears.

Da'ud's home is slowly turning into a symbol, completely by chance, after about 800 houses in the territories were demolished since the beginning of the intifadah, leaving about 8,000 persons homeless. A short time ago, the members of The 21st Year decided to begin protest actions against the method of collective punishment, and then they learned of the house marked for demolition. Da'ud's son, the 16-year-old Nabil, was arrested in September 1988 as a suspect in stone throwing, the preparation of incendiary bottles, and the burning of a parked car in Qalqilyah. The IDF [Israel Defense Forces] decided to destroy his home, even though he has not yet been tried. The family decided to appeal to the High Court of Justice, but the High Court rejected the appeal. The order has been in force since 22 May 1989. The family removed its belongings from the house, and the 12 tenants remained in an empty house, whose doorposts are torn up, that awaits demolition.

Four nearby houses are liable to be damaged by the demolition. Their fate depends on a decision by the commander in the field whether the demolition will be carried out by a bulldozer or with dynamite.

The first demonstration, which aroused many responses due to the mass arrest that followed it, attracted attention to the single house, which symbolizes the IDF's collective punishment policy. A photograph of the poor house and its inhabitants has already been shown on all the television networks throughout the world. There also were foreign television crews at the demonstration that was held last Shabbat.

A Selective Barrier

When the demonstrators arrived at the approaches to Qalqilyah, they found, as they had expected, that the entrance to the city was closed. The soldiers at the barrier presented an order declaring the region to be a closed military zone, with entry permitted only to residents of Qalqilyah. The demonstrators, who had decided earlier not to carry out any illegal action, decided to remain where they were. A banner that they tried to unfurl was folded up on the orders of the commander of the region, who was present. Despite the order closing the area, the soldiers at the barrier allowed the entry of an Israeli vehicle, not belonging to the demonstrators,

that arrived at the barrier. The passengers, who stopped and began to argue with the demonstrators, said that they were residents of Neveh Yemin, and had come to Qalqilyah to shop. Despite this, the police officer insisted that they were residents of Ginot Shomron, and that the road to their home passed through Qalqilyah.

Member of Knesset Muhammad Mi'ari finally entered the city, thanks to his parliamentary immunity. He rode to the house earmarked for demolition and returned with greetings from the owner for the demonstrators. The owner said that he had requested that morning to go to the barrier and to receive the demonstrators, but that the soldiers had sent him home. They also took one of his sons for interrogation, and asked him about his connections with the members of The 21st Year.

The demonstrators cleared out after a few hours, but left eight protestors, who slept that night at the barrier.

He 'Forgot' the Barrier

The end of the demonstration was a real farce. On Sunday morning, several members of The 21st Year went with Member of Knesset Yosi Sarid to Da'ud's house. They reached Qalqilyah from the direction of Kafr Saba. The city was open to entry and there were no barriers there. In the house they visited and spoke with members of the family, and Sarid made a statement to the press. At the end of the visit, they went to visit their comrades, who had stayed to sleep at the barrier. It turned out that the barrier on the northern side of Qalqilyah was still manned. When they tried to re-enter the city with their comrades, they were told that the area was closed. The soldiers were very confused when they realized that the city was open to traffic from all directions, and that the only barrier was the one that remained next to the demonstrators' tent. Whoever rescinded the order "forgot" to notify the commander of the northern barrier.

The demonstration indeed ended, and the demonstrators returned to their homes that are protected from demolition, but the policy of demolition of houses continues to widen. In al-Azariyah near Jerusalem, demolition orders were issued for two houses whose residents had thrown stones at residents of Ma'aleh Adumim who had come to cause disturbances in their village (the houses intended for demolition belong to residents of al-Azariyah, of course, and not to the rioters from Ma'aleh Adumim), and in Kafr Tzurif in the Hebron subdistrict, demolition orders were issued for the houses of two Arabs who had resisted arrest. At this rate, the day is not far-off when demolition orders will be issued for anyone who makes the "V" sign with his fingers. After all, Israelis have already been arrested for this serious offense, and a transgression for which an Israeli citizen is arrested justifies almost any punishment for a resident of the territories who commits it.

Bruno Urges Against Currency Devaluation

44000601 Jerusalem THE JERUSALEM POST in
English 24 Jul 89 p 5

[Article by Avi Temkin, Post Economics Correspondent:
"Bruno Urges No Devaluation"]

[Text] Bank of Israel Governor Michael Bruno yesterday urged the Treasury to refrain from devaluing the shekel for a long time.

He also proposed cuts, through legislation, in allowances paid by the National Insurance Institute and warned the government not to increase its deficit to fight unemployment.

In a memorandum sent at the end of last week to Finance Minister Shimon Peres, Bruno said the government should commit itself to a stable exchange rate for a period "longer than the time that passed between January's devaluation and the one of June." He also urged the government not to devalue the shekel, unless the Histadrut agreed to waive the compensation due to workers for the ensuing inflation.

The memorandum was part of the consultations held by the finance minister in the course of drafting the employment encouraging measures tabled yesterday by Peres at the cabinet.

Bruno urged Peres to encourage cheap labour for the short-term by abolishing what he called "distortions" in the Minimum Wage Law. He proposed to define as a wage for purposes of the law not only the basic salary, but also all other allowances and fringe benefits paid to workers. He also said it was necessary to cut the linkage between the minimum wage and the average wage.

Bruno also said it was necessary to change the way unemployment benefits were paid, contending that the very existence of such aid increased unemployment. He opposed extending benefits beyond the current maximum of six months. The sum paid to each jobless person should be higher than currently but should go down over the course of the six months, as a way of encouraging them to look for jobs.

The governor called on Peres not to expand spending on defence, immigration absorption or infrastructure projects without first cutting other items in the state budget. "In light of the emergency situation which the country is undergoing, the cabinet should decide on a redistribution of the budget sums by redefining national priorities," he said to Peres in the letter.

According to the governor, this would mean cutting the subsidies and allowances granted by the government and the NII, noting that from 1965 to 1988 these grants and allowances grew ten fold in real terms.

Bruno warned Peres that the budget deficit had reached dangerous proportions, about 6 percent to 7 percent of gross national product. This could eventually lead to

renewed inflation, he said. The governor also called upon Peres not to authorize excessive hikes in the prices of government-supplied goods and services.

Ghanaian Official Explains Policy Toward Israel, PLO

34000453z Accra PEOPLE'S DAILY GRAPHIC in
English 14 Jun 89 pp 1, 8-9

[Article by Lloyd Evans]

[Excerpt] Dr Obed Asamoah, Secretary for Foreign Affairs, has explained that channels of communication between Ghana and Israel do not mean that both countries are about to reopen their missions in each other's country.

He said Ghana should be actively involved in the process of getting negotiations on the Middle East going and this calls for avenues of contact.

Dr Asamoah who was speaking in an interview with the GRAPHIC in connection with an article carried by "West Africa" magazine of 5-11 June edition which said Ghana wants "direct communications with Israel."

The Foreign Secretary said that considerable concessions have been made by the Palestine Liberation Organisation (PLO) on the Middle East question and that diplomatic pressures must now be put on Israel to give similar concessions.

He said "this is the concept in which one should see the discussion I had with Mr Shlomo Morgan, who works in the Israeli interest section at the Swiss mission in Accra."

Dr Asamoah made it clear that Ghana should be seen talking to both the Palestinians and the Israelis on the Middle East question so as to facilitate the process of negotiations and settlement of the Palestinian question.

"As you know, the Palestinian question is the basis of all the problems in the Middle East and it is the solution of that problem that will lead to peace in the Middle East," Dr Asamoah stated, adding that he called Mr Morgan in for a discussion on the Middle East situation.

Dr Asamoah said Ghana recognises Israel as a state and that the closure of each other's mission in each other's country does not mean that "we do not recognise the existence of each other."

He said the breaking of diplomatic relations with Israel because of the occupation of an African country's territory by Israel, does not mean that Ghana does not recognise the state of Israel or diplomatically there are no contacts at all.

The Organisation of African Unity (OAU) Resolution in 1973 called on all African countries to break off diplomatic relations with Israel because of the occupation of an African territory.

Dr Asamoah said the possibility of re-establishing relations with Israel depends on the developments in Israeli foreign policy towards the settlement of the Palestinian question and whether Israel's policy towards South Africa is satisfactory in terms of dismantling apartheid. [passage omitted]

New Southern Commander, Matan Vilna'i, on Media, Military

44230145 Tel Aviv BAMAHAHE in Hebrew
5 Jul 89 pp 16-17

[Interview with new Southern Commander Matan Vilna'i by Yitzhaq Tuniq and Yosi 'Ab'adi]

[Text] At noon Friday, 10 minutes after the ceremony transferring the office to his successor General Dan Goren, General Matan Vilna'i no longer has an office, and we talk with him in the office of the man who was his deputy just a few days before.

[BAMAHAHE] Gen Vilna'i, you have turned over the keys; are you heading straight out to the Southern Command?

[Vilna'i] Yes, that seems perfectly reasonable to me.

[BAMAHAHE] Ten minutes after you transferred positions, may we ask you how an IDF [Israel Defense Forces] general feels at a moment like this when you have just finished one job and are about to start another?

[Vilna'i] First of all, contrary to what most people think, a general is also a human being. Everyone thinks that we are some kind of stereotype. You cannot compare a change of generalships on the general staff or in any other position to a change of junior command positions. The only thing I can tell you is that in the military you get used to a certain rhythm of job changes, and the further you rise in the ranks, the slower that rhythm is. In the final analysis you are used to the fact that you work and work and that you have enormous responsibility, but with the stroke of a pen, everything is over and the responsibility passes to someone else.

What I can say is that wherever you are, you leave something of yourself behind—of your character, of your decisions, of the people who come to appreciate you or what you accomplished, and, in the final analysis, you move on. It's natural, completely normal.

[BAMAHAHE] Still, it seems to me that until today you didn't have such a long tenure in one position.

[Vilna'i] I was an infantry officer for 3 years. Here it's half a year longer.

[BAMAHAHE] As head of the Manpower Branch, did that give you new ideas about the desirable length of terms for positions in the military in general?

[Vilna'i] Without considering the length of my term, I have no doubt that positions of Brigadier General and up

have to be for 3 years. It could be 2 years and 8 months or 3 and ½ years. I would say that with any period of time less than that you don't acquire critical mass. Ron Goren, the incoming head of the Manpower Branch, said it right, that with that kind of time you can make decisions and get to see how they work out and what kind of results they produce, and sometimes even fix mistakes.

[BAMAHAHE] Despite the fact that you dragged the job out or made the job 3 and ½ years, in the final analysis the whole process of rotations—I don't know if it's rushed—but certainly it is very short. Doesn't it leave you with a lot of things unfinished?

[Vilna'i] First of all I didn't drag it out; I worked 3 and a ½ years and never skipped a beat—from the first day to the last day—and people will testify to that. It has nothing to do with dragging something out because I enjoyed every minute of it.

The fact is I left Ron Goren a list of about 20 things, in some order of precedence or other, that have to keep going. Even if I had been the head of the Manpower Branch for 8 years, I submit there would still be a list like that. These are very long processes; you make a decision, for instance, a decision about the draft cycle. The draft cycle in the military runs for 3 years so, in point of fact, you will only see what happens after 3 years. It is in the nature of things that we are always initiating, creating and developing, and there will always be things that your successor will have to continue with.

[BAMAHAHE] Are you saying that 3 years is the optimal period of time, after which you would get fed up with the job?

[Vilna'i] No. It seems to me that the three years that you call the length of the term is a complicated bit by bit kind of thing. It isn't enough to consider whether it is good for the job, there is also the man and his career path. You can decide that he will do 3 years, but then how many positions will he hold? Five threeDycar positions? Fifteen years? You want to prepare people for some other kind of direction. Let's suppose you say that brigadier generals will have three positions. Then is a man to remain a brigadier general for 9 years? That is absolutely unreasonable. From the age of 38 or 39 until almost 50 he will remain at the rank of brigadier general?

Therefore a lot of variables are involved, and when you total them up the optimum is 3 years in staff positions and something like 2 years in command and training positions because the man himself also burns out. I could note that today in the army—and I see it as one of my accomplishments—we have moved to longer terms. To my mind not enough and not everywhere, but the direction is perfectly clear. As one who served 3 and a ½ years in my position, I am representative of that direction.

[BAMAHANE] IDF appointments of generals are becoming more and more of a media event. Do you see this as a problem?

[Vilna'i] A very big problem. Anyone who knows me knows that I support the media in the military and have no problem with that, but there are certain closed circuits where the media don't belong. For instance, in the heat of battle. You can't bring the media into the cleaning out of a room in a battle for an objective or in a populated area. Those appointments belong to the same category. The damage that it wreaks and has wrought on our commands is significant. Under our command are tens of thousands of people and we are exposed to them all the time. For example, there was a paragraph in the media in which we were lumped into asses and nonasses, in the context of the latest appointments. I appeared that evening at a lecture held in conjunction with educational training on Mt. Gilo before a group of officers, a group of captains and majors from all the services and all the branches, and I had to explain to them that they were, in fact, speaking with a rag—because I was not on the list of asses. Is that good for the military?

[BAMAHANE] How can you prevent it when the press publishes accounts of generals waiting in the chief of staff's office with angry eyes, complaining to reporters?

[Vilna'i] What do you expect when one out of five candidates is selected? The other four will be happy? What can we expect?

[BAMAHANE] Do you feel the press can distance itself from this sort of thing?

[Vilna'i] Certainly. Does the public have a right to know? Do we have to get into all these things? The damage it causes is enormous, simply enormous. Who needs it?

[BAMAHANE] Do you feel that the other generals in the army speak and feel as you do or act as you do on this matter?

[Vilna'i] I am telling you that hundreds and thousands of officers in the army, the big guys, intelligent and bright, are afraid of the media and feel that they are hurting us. I think the army has learned to get along well with the media. I have no doubt that it is a central component in military business, not only in the territories. I certainly accept that. I have favored it for years, but these articles in the press simply hurt us.

I myself had a schedule, like every general, that included tours of the units, lectures, discussions. By its nature such a schedule is subject to change since the army is sometimes frighteningly dynamic. That week I was at pains to stick to the schedule, if only so that they wouldn't be able to say 'He should have come to the lecture, he should have come for a visit, he didn't come because he is busy running for his appointments.' Then if that's the way things work, so that the generals stick to

their schedules, maybe it's a good idea. But I think we stick to our schedules without that having anything to do with it.

[BAMAHANE] The rumors would have spread to your commands even without the media.

[Vilna'i] Of course. I have no doubt about that. The rumor mill never stops. The problem is that the rumors spread in certain sectors, and that is perfectly natural. But I am less sensitive about them because they know the truth. They know who is a rag and who is less of a rag, because that is actually beginning to be our standard. And that is a topic in itself. But the average man in the street is convinced, to this very moment, that over the last 3 weeks the generals were busy with just one thing—appointments—and that simply isn't true.

[BAMAHANE] The question is whether the army perhaps overdid its openness to the media. You said before that generals are also flesh and blood. Look, just 10 minutes ago we completed the ceremony transferring the position of head of the Manpower Branch. Among the invited guests to the internal event in the Manpower Branch office were reporters. Those same reporters could sit and talk with whomever they please. There were senior officers there, all of them flesh and blood. Apparently there were some among them who were none too satisfied. Do you really think they wouldn't talk about it?

[Vilna'i] I trust the generals and their inner loyalty. They won't run and talk about things against the army even if they are angry. I trust them 100 percent. But there are other ranks that, by their nature, I trust less because we always have grumblers.

[BAMAHANE] Is the head of the Manpower Branch a despised position in the army, like someone who casts lots?

[Vilna'i] I think it's far from being despised. It's a very tough position in the area of appointments. You face all kinds of weird pressures and in the end you have to make decisions about the levels that you command and advise the chief of staff about the levels that he commands. Up to lieutenant colonel it's the head of the Manpower Branch, and from colonel and brigadier general, it's the chief of staff and you only help him with it. But even as an advisor, of course, your power is not inconsequential. It is in the nature of things that people see only themselves, and I am happy to say that at that rank all of the contenders are good. The final determination in many cases is what I would call a "photo finish"—a tenth of a second is decisive. In these situations it is hard to explain to people, and some of them, by the way, go home afterwards. It is not a simple system, and if you treat people with consideration—and I tried very hard to do that—then you also learn to appreciate it. They understand, after all, that you have to make a decision.

[BAMAHANE] I want to ask in this connection about a question you will probably have to contend with next

week in your capacity as general of the Southern Command. There were reports this week that the IDF intends to send its best officers to serve in the territories. The reports made it sound as if that was not the case up until now. We also read, and I don't know if it's true, that officers in the territories asked to meet with the general of their command and even sent a telegram to the chief of staff. How will you handle that?

[Vilna'i] Do you remember the story that all the good soldiers were leaving the regular army? Three years ago, when I started this job, that's the way things were and every good officer said to himself: 'If I'm good, I have to leave. If I stay in, it means I'm no good.' That was a boomerang that came back to hurt the army.

We are now in the same place. There are very good officers serving in the territories. We identified that very quickly and put in good people. You can't tell the dozens and hundreds of regular army officers who serve in Judea, Samaria and Gaza that they aren't good officers. We have made mistakes, and, by the way, I don't know anyone who doesn't make mistakes. We are now correcting those mistakes. But to make a generalization and hurt the whole community? I also got calls right in my office and I told them they were right. I also want to use this opportunity to say that our commanders in the territories are doing precious, sensitive work and, in some cases, thankless work. No matter what he does, there will be someone who will come and complain. Under the commanders there are thousands of soldiers in the regular army and in the reserves who also do excellent work. There are always problems. Those reports are a good example of a headline intended to grab the attention of one person or another that winds up causing harm to the army.

[BAMAHANE] Could it be that the army also knows today how to define the functions of field service in general?

[Vilna'i] We studied it. Of course.

[BAMAHANE] Could it be that the same qualifications do not dictate similarities in the functions of command in the field in general?

[Vilna'i] That is a unique characterization. It is not simply enough to be a good commander in the field. You need other things. One of the things we learned in this period was to define those people and to define those characteristics. The chief of staff's intent, which I approve, is to put the best people in those spots. Again, I have to stress once more that we have excellent people there, but there are places where we also made mistakes, explicitly so.

[BAMAHANE] Can you specify what is required of a commander in the territories beyond a regular command?

[Vilna'i] First of all he has to be a superior commander since the people under him look to him to set a personal

example and ask for his guidance and his briefing. Beyond the fact that he is a commander—and the IDF is blessed with a lot of good commanders—he has to be sensitive to the civilian population that he is in charge of, both the very large Arab population and the somewhat smaller Jewish-Israeli population. He has to have his ear attuned to both groups.

[BAMAHANE] Are there tools to measure that?

[Vilna'i] There are no precise tools. In general, the minute you deal with human beings—and that was the central problem I had to contend with as head of the Manpower Branch—there is no Geiger counter or colli-mator that you can use to measure human beings. Therefore we don't recognize the concept of officer measurement, but rather the concept of officer evaluation. In the final analysis it is evaluation, and the word itself points to the inability to apply exact tools. The characterization is a commander with sensitivity. After all it is clear to everyone that a sergeant who does something stupid in an alley or in the Qalbush in Nusrat involves the entire State of Israel, and all the more so his commander. This, after all, is perfectly clear. You have to have this sensitivity.

[BAMAHANE] Another topic brought up recently in the media is the quality of IDF draftees, or more correctly, in a negative way, the fact that the IDF doesn't draft 25 percent of those eligible for the draft. The largest portion of those is not for reasons of religious studies but for social reasons. The IDF reacted apologetically to those reports.

[Vilna'i] The IDF presented the data. In this instance the IDF was me. I presented the data.

[BAMAHANE] But why was your approach that it was only the army's problem?

[Vilna'i] I think it really is the army's problem, but we first cast about for the correct data, and the 25 percent comes from the fact that we are trying to plow with a mixed yoke of an ox and a donkey and it doesn't work. All the data presented in the media were correct, but we mixed them up and misused them. I don't have to explain to you that it isn't enough to write down the data. You also have to read them and understand them.

[BAMAHANE] The question we really want to ask is why the IDF was in such a hurry to run to correct or explain this correct usage? Why doesn't the Education Ministry do these things?

[Vilna'i] Because the Education Ministry is not in charge of the IDF draft. We are in charge of the draft.

[BAMAHANE] We are in charge of the draft, but in the final analysis this is an unusual population, a population of more problematic quality, and it is not at all certain that the army as an army can derive much from them when they are drafted.

[Vilna'i] Let's start at the beginning. First of all the youth being drafted are excellent; they are not very good, they are excellent. A sight for sore eyes. No country in the world has youth like these, with such readiness and such quality. It is amazing. By the same token, and in a minute I will get to the lesser population, you mustn't forget that there is also a population that isn't good: people from our advanced society who aren't so anxious to serve in the army. That happens, too. We shouldn't make any mistake about it, we have to keep a balance. I want to reemphasize that wonderful young people are coming to the field units and in more than sufficient numbers. Far more than in my generation, which was drafted in August 1962.

There exists the question of the lower class population, and I will try to be careful in what I say so as not to hurt people, people to whom society has been cruel, who had fewer opportunities, for whom the starting line has to be moved back. Had we been an army like the Polish army, and I do not mean to impugn the honor of the Polish officers, or like the Belgian army, we would have drawn a line and said that we would draft only those—those are the ones we need, those are the ones we will draft.

But we are a national army, the Israeli army; we are a central component of Israeli society in every way; we know the significance of military service and are proud of it. Therefore, out of awareness of national necessities and out of awareness of the social cohesion of Israeli society, we draft thousands of people whom we could get along quite well without. More than that, we check village by village—and I have a table in my office that lists every village in Israel—for draft potential, for how many were already drafted, for the number of defectors, so as not to create a situation whereby it suddenly turns out there is no sign of military draft.

[BAMAHANE] Are there villages like that?

[Vilna'i] There are no villages like that. There aren't even subunits like that within the villages. We are concerned about that and keep track of it. I do not want to see a situation in which no one from a certain village is drafted into the IDF, and then it turns out that there is an enclave like in Lebanon, as if they don't belong to this country and the law of military service doesn't apply to them. We check every single village, identify the procedures it uses and do a kind of socioeconomic survey. This is not explicitly the army's duty, but because of our sensitivity to people and to the significance of service, we do it.

[BAMAHANE] The question is whether, given the great public sensitivity to the issue, it isn't a mistake, especially at a time when the army is needed for difficult tasks, for which there is not always a consensus. Is there a consensus about this in the General Staff?

[Vilna'i] I am happy to say that not everyone on the General Staff thinks alike, and there is no issue on which there isn't a difference of opinion. But there is one opinion on the General Staff that is decisive and that is

the verdict of the chief of staff. On these issues, of course, because of the national sensitivity, it is also a matter for the minister of defense, and their decision is final. What I just said are not my own private decisions, they were my recommendations, but they are the decisions.

[BAMAHANE] With your permission I would like to move on to another topic, the image of the regular army, a topic that we have not dealt with for 2 years, I believe.

[Vilna'i] It is no longer in the headlines.

[BAMAHANE] I want to tell you that I met with command and staff trainees for a conversation and there, apparently, that is still headline stuff. They told me that in some course or other, they came and presented a survey showing that the army holds a very high position in everything having to do with the public attitude toward military service.

[Vilna'i] It isn't very high, it is the highest.

[BAMAHANE] Those same Lieutenant Colonels and Majors in the Command Staff seemed a bit surprised by the survey. It seems to me that they have rather different feelings about it.

[Vilna'i] The survey you are referring to is one done by the Applied Social Institute that included questions we were interested in. The army shows up there in the highest position in Israeli society, from every point of view, and, to my surprise, higher than many institutions I would have expected to be ranked higher. You might say: it's a survey, it isn't serious, Israel has been through all kinds of surveys. That is all true. It is a survey.

[BAMAHANE] If that is factual, then it may be that the problem is not image but self-image.

[Vilna'i] First of all, these are facts. I don't get excited too quickly. I requested a more detailed analysis to understand what was behind the survey. I suppose part of the issue is that when you address a reservist and he is very appreciative of his unit, he will also rank the army highly. It might be that if the question were focused differently, he would place the army lower.

By the same token there are places in the army that still have a self-image problem. It is gradually disappearing. It is not a phenomenon anymore, and it is no accident that we haven't talked about it for 2 years; there was no need to talk about it. In the past there was such a phenomenon, but it seems to me that today we regular army people feel much better than we felt a few years back. It's the result of a whole system of processes, in society as well, and also in the army.

[BAMAHANE] Could you estimate today what weight the salary improvement carried in the whole issue of image?

[Vilna'i] A central issue. Army people to this day are not satisfied, and rightly so. A man who is a tank company or battalion commander in the Jordan valley or on the

Golan Heights, or a paratroop company commander, does his job 28 hours a day and lives like a drunkard. I call that dedication, dedication to the army, and he certainly deserves a salary that no one in the Treasury Ministry can pay. In his naivete he still believes that there is a direct connection between his investment and his salary.

Salary is the central component. No one in the army intends to leave a millionaire. But people feel they have to get a fair salary. In my opinion, we get a fair salary today, even though some feel it isn't enough.

[BAMAHANE] Did that improve the image?

[Vilna'i] First of all it improved the feeling of the army people. We live in an unusually materialistic society and where a man says to himself: If I am worth something, let them show me where it counts. That is self understood. If my value is so small, then apparently I am unimportant, apparently I am not worth more. That is perfectly clear.

[BAMAHANE] You are referring to this issue of image, self-image including salary, as your central concept in the Manpower Branch?

[Vilna'i] No. There is a number of components that affect the morale of the regular army. One is salary and service conditions, which are very easy to change. It's simply a matter of money. The second thing is all the processes of placement and advancement. The third thing—and every regular army person knows what I'm talking about—is simply the issue of the way things are put together. Changes in these three components change the way regular army people feel, and I dealt with all of these areas. The question of service conditions is not simply a matter of adding this or that. It is simple to show that we are dealing with it. Whereas in the Air Force it has long been understood that there is a direct connection between working conditions and the way people feel, in the army, in the ground forces where I was raised, service conditions have always been a kind of concubine. We know that it exists, we know that we want it, but you don't talk about it. I made the concubine a central issue, and we said that 'service conditions' are not dirty words and have to be dealt with appropriately.

[BAMAHANE] Does everyone talk that way about it today?

[Vilna'i] There is a fundamental change, from all ranks and all directions. At times it even bothers me a little because, by its nature, we tend to exaggerate the issue, but it is completely different. By the way, when I say service conditions the main stress I put on it is on the families. Again, this is something the Air Force always dealt with, but the ground forces, much less so. We have also changed the question of families. We are making the family into a partner in the regular army since, according to our survey, as well, the deciding factor about whether or not to be in the army is the family.

The second issue, placement and advancement, is one that no one was ever satisfied about because, as I explained the statistics before, there are always more dissatisfied than satisfied. But, in the final analysis, we made a revolution in this matter. You shouldn't take that lightly because it is complicated, complex, and I told Ron Goren that the system we built and which he is looking at today could easily crumble. But if he invests the time and effort in this direction, I am sure that he will keep it going. Today we can take an integrative look at the previous year, from majors through brigadier generals. That is far from a simple thing to do. It is a true revolution with a thousand and one tools that I don't have time right now to go into. Army people know them.

The third area I dealt with was to set up procedures and orders and tracks, a thousand and one things that had always been done by unwritten custom—we brought order to all of that.

[BAMAHANE] After 3 and ½ years in a General Staff position, is it a sharp transition to go back to the field, to the alleys of the intifadah [uprising]?

[Vilna'i] No, not at all. My first assignment in the General Staff was head of the Manpower Branch, but most of my service has been spent in the alleys. I am a soldier who grew up in the mud, not on the sidewalks. Even as head of the Manpower Branch, I made sure to circulate among the units at least 3 days a week. You won't find many who will roam the alleys of the intifadah like I did, except of course, those whose job it is to do it on a regular basis. Now I have begun my coverage of the Southern Command, and, by the nature of things, I went through Gaza and I know it all. First of all I know it because I was a company commander and a battalion commander and did long service there, but I also know it because I went through there recently. I know the people, I see the problems and I am really returning to my natural terrain. The unnatural terrain for me is these 3 and ½ years.

[BAMAHANE] Then, perhaps, to summarize, we will ask you a question about the Manpower Branch. You used the Air Force as the model the ground forces should learn from. Your replacement in the job is an Air Force man. Would you wish Ron Goren success in transferring other things to the Ground Forces?

[Vilna'i] Yes. Without a doubt. Just yesterday we were talking about that. Ron was just getting to know the Ground Forces for the first time from close up. In the Air Force there has always been a somewhat distorted view because they see it from high up; from there everything is small and clean. Lebanon, for example, looks beautiful from a helicopter. Gaza, too. But the minute you land, it looks different. I told Ron that the norms of precise implementation and of complete details and data have to be injected into every service. As an Air Force man, he knows exactly what I am talking about.

Navon on Begin's Last Days in Office

44230100c Tel Aviv MA'ARIV (Holiday Supplement) in Hebrew 25 April 89 p 1

[Text] "I will tell you things that have been locked away deep in my heart," Yitzhaq Navon makes a rare and revealing confession. "Before you, no one has heard such things. Now—I can no longer hold it back. I am torn asunder. My heart is broken. Please do listen. Write down every word. Just a moment; let me calm down just a second. When you hear, you will forgive me for still being so upset, 6 or 7 years after the tragic events.

"This was at the time when I was president. I saw the dreadful Lebanon war. I saw and I knew the negligent manner in which the decisionmaking process was conducted in the government of Israel. I noticed with apprehension the awful conspiracy of silence around the state of health of Prime Minister Menahem Begin at crucial times and in making fateful decisions. I could not bear it. I could not remain silent.

"Every week I would invite one of the government ministers to lunch. We would talk in confidence. The restrictions and limitations were clear. They were ministers of the government, and I was the president of the country. They were the operative decisionmakers; I was merely a symbol. But they were unable to dissemble. They were Likud ministers; I was from another party. But they were suffocated with worry and alarm. They told me about Prime Minister Begin, and they were seized with trepidation. They told me that, in dealing with the most crucial matters for the state and its citizens, at the cabinet meetings at which our destiny was decided, he was drowsy, distracted, and forgetful. They said that he was sick. They argued that he was no longer capable of functioning in the position of head of the government apparatus. And not only ministers and politicians from Begin's camp, the most faithful among his supporters; senior IDF [Israel Defense Forces] officers also came, hesitantly, seized by doubts that their conduct might not be proper. They, too, told me that Prime Minister Begin was ill, that he was being led astray, that the war aims in Lebanon presented to him were distorted.

"I felt I was the most wretched man in the entire State of Israel. I was president, but I had no political power. I lay awake night after night—and the responsibility was killing me. What was I to do? Could I allow myself to join the dreadful conspiracy of silence?! If I was not to hold my peace, if I was not to be part of this dangerous fraud, then what must I do? How long could I keep quiet? I was suffocating—and I was holding myself back. Who could I talk to? With whom could I share the heavy burden?

"Begin came to report to me. I could not form my own impression without drawing on those formed by ministers and senior IDF commanders. This only increased my trepidation. He sat opposite me, his eyes glazed. In mid-conversation he fell asleep. His medication ravaged him. Yehiel Qadishay, Begin's faithful secretary, made

sincere efforts to dispel the strong impression made. He had little success. What could he have done?!

"I could no longer hold back. A heavy burden lay on my shoulders: the responsibility of the president. With a bitter heart, I telephoned Professor Efraim Qatzir, my predecessor as president: 'Efraim; I am suffocating...I can't...Our prime minister. He is unable to function in dealing with the matters most crucial to Israel. He's a sick man. The medication is ruining him. As president, I feel the supreme responsibility entrusted to me. You alone can understand that. I can't talk to the doctors and ask them myself. That could bring about a grave constitutional crisis. I beg you: Ask the doctors if he can function in such a condition!'

"Qatzir asked around, then telephoned me and said: 'The condition is not permanent. I spoke to Begin's most eminent doctors. There are ups and downs. Perhaps Begin's condition will stabilize.' I asked him: 'And if not?' Qatzir replied: 'It will take time. I advise you to wait.' I waited. I had firmly decided not to remain silent. If Efraim Qatzir had said to me, on the authority of Begin's doctors, that he was unable to function, I would have shaken off all my doubts and requested Begin to resign. If he had refused, I would have gone public, revealed his illness, and demanded new elections. A sick man under the influence of medication cannot serve as head of Israel's government."

Letter to Schiff on 'Left, Right' in Domestic Politics

44230154b Tel Aviv 'AL HAMISHMAR (Weekend Supplement) in Hebrew 23 Jun 89 p 4

[Article by Dan Ben-Amotz; an open letter to Ze'ev Schiff, the Military Commentator of HA'ARETZ]

[Text] Dear Ze'ev,

In two short articles, which were published recently in your newspaper, HA'ARETZ, Gidon Samet pointed to the new, growing, and spreading trend in right-wing circles: the drawing of a symmetrical comparison between "the extremists" of the Right and those of the Left. The intention of the tendency is clear: "The extreme Left expresses itself sharply. So why is it strange that the extreme Right also acts the same way?" Words in this vein, attempting to legitimize all acts of terror and hooliganism by the Right, were said recently not only on the pages of NEKUDAH and YATED NE'EMAN, and by Ge'ulah Cohen and her son, but also by several of the best known associates of Gidon Samet in HA'ARETZ. He himself pointed this week to an article in this vein that was written by Dan Margalit. But I was worried even more by an expression that appeared about a week ago in the large article published in your newspaper HA'ARETZ under the headline "What Has the Intifadah Done to the IDF [Israel Defense Forces]?"

Near the beginning of the article, in a section entitled "Beaten Military Men," you write "Both ends of the

political spectrum participate in undermining the status of the IDF. Unbridled extremists of the Right and also of the wild Left...."

And again, several lines later:

"These two poles, the extreme Right and the wild Left, close the circle on the IDF."

You, too, Ze'ev?!

Is it really possible at all to speak of any comparison of the behavior of these two camps? Let's begin with small things. Your words, Ze'ev, appear under the heading "Beaten Military Men." Who beat them? Who tried to overturn the vehicle of Dan Shomron and slapped Gabi Ophir? "The wild Left" as well?

And to much more serious things. Who conducts pogroms and kills little girls and brandishes pistols with a smile and shoots donkeys and uproots vineyards and breaks windows and burns cars and doors?

"The extreme Right"—and "the wild Left?"

And who in the Knesset and on television calls openly for violent revolt against the rule of law, for the use of terror, for mass transfer? And who openly and constantly demands pardons for those who blinded a policeman and caused the loss of the legs of mayors and the killing of students and girls?

"The wild Left!"

If you had at least called the Right "the wild Right"—but no! For you, the Right is "extreme", and the Left—"wild." Wild?! That is the description that suits the Left? Like "the wild Yehoshu'a?" Academics and writers and educators, rabbis, kibbutzniks, workers, housewives, teenagers and all those "common" folk, who sign manifestos, meet in Tzavta, write in the newspapers, demonstrate quietly in front of prisons, go out on Shabbat to visit villages in the West Bank, or stand with placards at the entrance to a city where a house is to be demolished—should this be called "wild?"

Citizens who are called up for reserve duty in the territories, and request to serve in combat units, and ask only not to be forced to confront terrible problems of morality imposed on them by the minister of defense, whose spokesman is your co-author of the "Lexicon of Israeli Security," and who are ready to sit in jail, in order not to fall into the narrow seam between "an unlawful order" and "a clearly unlawful order"—they all are "wild?"

And you mention them in one breath, as one equal side of an equation, with members of Knesset and rabbis, and "recipients of the Bialik Prize for the wisdom of Israel Eldad," who preach terror and encourage it, and inflame a violent and dangerous rabble to throw stones on roads in the south, to burn cars in Ashdod and Tel-Aviv, to conduct pogroms in Arab villages, to transfer an entire

population? And this entire group warrants from you the description "extreme" and is compared to the "wild" group?

Had you used this term wild only once, once, I would say that it was a mistake, or irony. But because you repeated it twice within a few lines, I must assume that you really think that way. And it's hard for me to believe. I've been reading you for years. I read you during the Lebanon War, and we even met then, in sad circumstances. And it's hard for me to believe. It's hard for me to believe that you really equate the two camps, the behavior of the two camps: their underlying motives, their norms, the danger that they pose to the subject about which you wrote in the Lexicon. And I am almost drawn to use the flowery phrase "for the sake of our existence."

And even if you did not intend, Ze'ev, to give this impression—the damage inherent in expressions such as yours is terrible, precisely because they appear in a learned article, pseudo-scientific, in a respectable home. Maybe you and Dan Margalit and the rest of the objective people in the middle unabashedly give additional justification to all the hooligans, the terrorists, the murderers, the zealots. And if the situation here gets even worse, and if the acts of bloodshed on both sides continue, and if some of those about whom you wrote entries in your Lexicon make even sterner a policy of "hard-handedness" and expulsions and transfer, along with planned pogroms, and if history will return, God forbid, to two of the most terrible phenomena of the days of our struggle for independence, in the years 1946-1948—the gallows, on the one hand, and infernal machines in the squares, on the other—the blood that will then be spilled on both sides will fall, Ze'ev, not only on the extreme Right but also on the "middle, which is worse."

And then who, Ze'ev, [wolf] will cry wolf?

AIDS Patient Criticizes Societal Attitudes

44230148 Tel Aviv YEDI'OT AHARONOT in Hebrew
13 Jun 89 p 23

[Article by Aryeh Kiezel]

[Text] "Look at this leg," said Yisrael Shumacher, drawing the blanket from his leg. He grimaced from pain. "Once I was a tall man. I weighed 100 kg. I was happy. I loved life. Now I'm a rag. Just skin and bones. That's what's left of a man. Why do I have such a life. It would be better for me to die."

He lay upon a small bed in a poor room in a modest apartment—the first floor of an apartment building on Rehov Hermon in 'Akko. His face was thin, and it was hard for him to hold the glass of coffee that had been given to him by the volunteers of the Committee for the War on AIDS. He had passed 4 months of difficult suffering in that bed, and during that time, in long conversations, he told me about the disease that was consuming him and the surroundings that were shunning

him. Everyone in the neighborhood knew that he was "the sick one." No one dared approach the cursed house. No one ever offered help. Even a few days ago, when he could no longer get out of bed, no neighbor knocked on the door to offer a warm drink.

They breathed a sigh of relief in the neighborhood this week. The AIDS victim had died, alone. With his last strength, in our final conversation, a few days before his death, he pointed an accusing finger at society.

He could no longer stand up. Restricted to his bed, he said, "I don't want to go back to the hospital. They treated me nicely there, but like a leper. I want to die here. I don't fear death. I always said that I feared this life. I have no more strength for people. Believe me, they were crueler than the disease. I don't recall how my story began. I know only how it will end. I already see the good ending. The neighbor upstairs doesn't give me any peace. At 3 in the morning she moves the chairs around in her home, and it's killing me. Why is everyone in the neighborhood repudiating me? I never asked for help from any of them. The doctor doesn't treat me nicely, and in the last few weeks people also turned away from me in the supermarket. Now the municipal tax bill has arrived from the city. Tell me, I have to pay them? For what? How did they help me?"

Up to the last moment, the 'Akko Municipality refused to allow a social worker to aid Yisrael Shumacher. The handling of his case, said a doctor at Rambam Hospital, is reminiscent of the Middle Ages. He's lucky that there isn't a leper colony. They would have sent him there.

Four months ago, following the refusal of the municipality to send him a maid, Shumacher was forced to remain in the hospital for many weeks, even though his medical condition allowed his immediate release. Virus expert Dr Zvi Ben-Yishai, the assistant director of the hospital, who is an AIDS researcher, begged the municipality to send aid and assistance to Shumacher. He explained to them that it was impossible to catch the disease from the patient without having sexual relations with him. They didn't accept this explanation in the municipality. The mayor asserted in a telegram to the hospital that he was not able to aid Shumacher. His spokesman replied that they don't have the means to handle such "cases." Finally, Shumacher was returned to his home. The members of the Committee for the War on AIDS, which is headed by Prof Shlomo Shibolet, established contact with him, arrived at his home, helped him keep it clean, and provided psychological assistance.

American volunteers from Kibbutz Ravid, which is near the Sea of Galilee, also came every week with food and fed Shumacher. His room was filled with plants brought by a member of Kibbutz Tuval in the Western Galilee. A German woman from Nahariya visited him every few days and brought him his favorite dishes.

Now, following the refusal of the municipality to take care of Shumacher, the Committee is about to open

special courses for volunteers in the three large cities. Interested persons should call Theo Mintz, Tel. 03-231721.

Shumacher, who was 54 years old when he died, was born to a middle-class family in Germany. At age 15, when he was learning to be a cook, he began to read the Old Testament and became enthusiastic. Catholicism, into which he had been born, repelled him, and he didn't know why up until he died.

About 18 years ago, he became acquainted with a Jewish male youth and he lived with him for 11 years. He followed him to Israel, converted to Judaism, and received new immigrant status. "When I returned from Germany, after I had renewed my cook's license there, I found that he no longer wanted me. I found myself in the street with nothing. He had all my belongings."

He wandered around the country, from one place of work to another, and finally found work as a cook in the Egged restaurant. Then he moved to 'Akko, after he could not afford to rent an apartment in Haifa. He regretted having left Haifa up to his last days. "I could have lived in a big city and been anonymous," he said. "Here, everyone points at me."

Shumacher was a tall man. He weighed 96 kg before he contracted the disease. He always spoiled himself with good plays and he loved to go out. Everything ended in one day. He felt distressed. "I felt like a rag, and I wanted to sleep all the time. I went to Qupat Holim [Histadrut Sick Fund] and the doctor didn't know exactly what I had. He said it might be a reaction to the diet that I was following at the time. I went home calm, but I felt bad. I writhed in pain. I began to shiver. The doctor gave me pills and didn't understand what I had. I continued to work, but my strength was gone. Suddenly I was a rag. The doctor sent me for a blood test, and there they told me, "You have AIDS." I didn't believe it. I looked at the doctor, I felt myself becoming pale. I couldn't move a limb."

He was asked to leave his job in Egged, and he holed up in his room in 'Akko. He would walk to the seashore every day, and he loved to stand on the ancient wall and look out at the sea. "It calmed me," he related a few days before his death. "I thought that the thoughts would leave me that way. I didn't understand what was happening to me. I was terribly afraid. I knew only that AIDS was dangerous, that you die from it. No, I didn't think that I'd reach a state in which I couldn't even take care of myself. I was always a person who likes things to be clean, who loves his immediate surroundings, and I dressed carefully."

"Look," he said, and pointed to his hands, "my hands—how thin they are. I lost the will to live. The volunteers who came here and did a beautiful job brought me the plants. They are my children, these plants. They bring me a little life."

Two and a half months ago, when his face regained its color, we met again. He joked about life and was encouraged. It seemed as though he was recovering, but it was an optical illusion. "Don't take me as I appear. I am sick, very sick. My appearance doesn't reveal what's going on inside."

Then he also talked about his fears of the hospital: "I still remember that in Rambam they put me into a room. I lay there alone, and I simply felt that I was a goner. They placed the sign "Dangerous Disease" on my door, as well as on the attached bathroom. I lay there alone, and I looked at the doctors. One of them was my angel."

He burst into tears. "I didn't speak with anyone, because it was clear to me that they were afraid of me. When I went to the bathroom, people became afraid and ran away. They said to each other, 'That's the one with AIDS.' I'm not angry with them. I know that you are afraid to ask for a glass of water, to accept food here. People are afraid because they don't know. At night, when I was alone, and the nurses wouldn't come in, I stared at the ceiling and cried."

Shumacher knew that his end would come in a hospital bed. And that's the way it was. "I'm like a dog," he said to me a month ago. "Only this woman from Nahariya helps me. When I tell her that I don't like meat and prefer soup, and she smiles at me, it's like paradise. To think that there are still people, very few, who love to help at difficult moments, makes me feel good. I only want to tell those people who will still remember, that I requested assistance quietly, without overturning tables. I knew that I had to be careful of people, but I didn't know that I had to fear them because they are cruel."

Yisrael Shumacher's funeral was delayed one day, so that a minyan could be assembled around his grave. He will be buried today in Haifa.

Editorial Discusses Possible Emergency Unemployment Measures

44230146a Tel Aviv DAVAR in Hebrew 25 Jun 89 p 2

[Article by Ora Namir]

[Text] Growing unemployment and increasing numbers of people on the dole have become regular topics on our public agenda. According to preliminary data, unemployment increased to 8.2 percent in January-February 1989. Increases were noted in the number of unemployed adults, educated people, and professionals, as well as in the number of unemployed youth and unskilled labor. The latter have trouble entering the employment market. In Or 'Aqiba every third person is unemployed; in the Haifa region in the past 10 years some 25,000 workers were laid off from 100 plants that closed there, and those are only two examples out of dozens.

During 1988, 58,900 people joined the civilian work force, but only 49,000 of them secured jobs. Verified

statistics show that 116,000 people from Judaea, Samaria, and Gaza are currently employed in Israel (of which only 37,000 have work permits from the Employment Agency); in addition, there are some 14,000 foreign workers and 1,800 workers from southern Lebanon.

In the first quarter of 1989 some 71,300 people went to the Employment Agency every month looking for work, as opposed to 45,400 a month last year. During the same period, the Employment Agency issued an average of 34,800 unemployment slips a month, as opposed to 18,300 in the same quarter of the past year.

Unemployment has increased throughout the country. In six localities, namely Netanya, Kefar Yona, Nazareth, Yeruham, Ofaqim, and Shederot, it even exceeded 9 percent of the work force.

In May 1989 the number of applications for unemployment pay continued to rise. The number of first-time applications increased by 7 percent in 1 month. The average number of jobless days per person last year rose to 109 in Shelomi, 105 in Yoqne'am, and 103 in Migdal Ha'Emeq.

A positive development occurred among soldiers discharged from the army. According to special regulations, allowances are given to discharged IDF [Israel Defense Forces] soldiers employed in both professional and unskilled jobs. For nonskilled labor, which makes up the largest unemployed group, 70 went to work in construction, 100 in agriculture and crating plants, and 400 in industry. In addition to their salary—the minimum salary, which today is 855 new shekels—they receive allowances of 340 new shekels a month. Thanks to this allowance their pay is increased and over 60 percent of those workers continue in the same job even after the end of the allowance period.

The conclusion is that pay is the main factor causing unemployed people to avoid jobs which are not in demand today. There is a lesson to be learned from that. There is a solution to the plague of unemployment, but the solution that we pursue is not sufficient to cure the disease.

The need for amendments in the unemployment law is currently at the center of public debate. Being conversant with the subject, I came to the conclusion that the unemployment laws must be changed for only one reason, to ensure that no one can abuse them. However, unemployment amendments deal with marginal topics. They do not begin to solve the unemployment problem. Anyone who thinks that the unemployment laws or changing them will have any significant effect on the employment situation or will bring down unemployment, does not know what he's talking about. That is not the way to fight unemployment.

It is not difficult to imagine what would happen if the 71,000 unemployed—the overwhelming majority of whom can find no alternative work offers—were not

receiving any unemployment compensation. Those who criticize them should try to picture themselves in such a situation.

Regretfully I have to conclude that the Israeli government is insensitive to the malignant phenomenon of unemployment and powerless to stop the collapse of development towns and of the Haifa and northern region. Those areas are losing their sons and daughters, who are abandoning their homes and moving to the central parts of the country or overseas. The number of those who leave the country is growing daily.

The government must immediately work out an emergency program to deal with unemployment. Such a program must focus on devising alternatives to failing industries, while at the same time dealing practically and in detail with each locality and each plant in order to rescue them from utter collapse.

OMAN

Close Ties To France Discussed

44000598d Muscat *TIMES OF OMAN* in English
13 Jul 89 pp 27, 29

[Text] France and Oman have very close ties and this was reflected in the recent State visit of His Majesty Sultan Qabus to France.

The high-profile visit underlined several aspects of Omani-French relations and was a great recognition from the French side about the changes that have taken place in Oman from the start of the Renaissance, the French Ambassador M. Charles Jeantelot, told the *TIMES*.

France is attaching great importance to the bicentennial celebrations of the storming of the Bastille and some 40 Heads of State have been invited to attend the festivities in Paris. Apart from this august gathering of the world leaders, France will also host a mini summit of the leaders of the seven richest countries at the new Arch that has become another architectural splendor on the Paris skyline.

Oman-France ties have been strong and these were given a solid form when a cultural and technical co-operation agreement was signed in Paris in September 1979 by the then Minister of State for Foreign Affairs, Qays Ibn-'Abd-al-Mun'im al-Zawawi.

The first session of the joint commission was held in Muscat in January 1985, while the second was held in Paris in September 1987 where Oman was represented by Sayyid Haythan Ibn-Tariq, the Under-Secretary for Political Affairs at the Ministry of Foreign Affairs.

The third session will be held in Muscat. "It was decided during His Majesty's visit that the third meeting will be held under the aegis of the Omani Minister of State for Foreign Affairs, Yusuf Ibn-al-'Alawi bin 'Abdallah and

the French Minister for Foreign Affairs, M. Roland Dumas." This commission will also now look into political and economic matters, M. Jeantelot said.

In the cultural field, the French language has proved to be very popular with Omanis wanting to learn a foreign language and two permanent courses are held round the year, one in Muscat and the other in Salalah.

Two French courses are also held at the Ministry of Foreign Affairs and another one began in January this year at Sultan Qabus University. A course was also begun at the offices of the Public Authority for the Marketing of Agricultural Produce.

"This year, 15 scholarships were given for summer courses and we are also supplying programmes on France to television and radio".

In the field of technical education, several television technicians have done courses in Paris.

Archaeology is a field in which French co-operation is a very visible one. French archaeologist Professor Cleuzion is doing a good job imparting training to Omanis and Professor Monique Kervran has been in Oman for the past ten years doing very excellent work in Suhar.

M. Jeantelot said the artistic field has also not been neglected. Last October, a French-Oman stamp show attracted great attention for its uniqueness. In the arena of agriculture, there are three veterinarians deputed to work with the Ministry of Agriculture and Fisheries. There are also French experts working in the fields of tourism and hydrology. Occasional expert missions from France also visit Muscat to assist in specific matters.

A French company called CFP (French Petroleum Company) is a minor partner in PDO and in geology, the firm of BRGM, one of the world's leading mining companies also has an interest here. Elf Aquitaine Oman is a leading oil firm engaged in independent drilling and is confident of its future operations in the Sultanate.

Three banks are active in the commercial sector. These include the Indo-Suez Bank (Union Bank of Oman), Societe General (Al Bank al Ahli al Omani) and Banque Paribas. French experts have also assisted the Directorate-General of Specifications and Measurements of the Ministry of Industry and Commerce.

"Economic ties are improving and today, France is the eighth largest trading partner of Oman. This is bound to grow. Although our imports from Oman are today mainly its excellent fisheries products, there is scope for greater growth. We export mainly industrial equipment and food and last year this amounted to nearly FF 425 million."

Excellent Relations With Spain Reported*44000556 Muscat TIMES OF OMAN in English
1 Jun 89 p 13*

[Excerpt] Ever since they established diplomatic links, Spain and the Sultanate of Oman have enjoyed an excellent relationship based not only in a common cultural heritage but in the personal friendship between His Majesty Sultan Qabus and His Majesty King Juan Carlos I, who came to Muscat on official visit in December 1985.

Prior to that visit, Crown Prince Felipe de Borbon also travelled to Muscat on the occasion of the 15th National Day Celebrations.

The Spanish-Omani trade links were brought closer with the appointment as Honorary Consul for Spain in Oman in 1987 and the Spanish Ambassador (non-resident), Jose Luis Xifra de Ocerin's visit to Oman in November 1988 to present his Credentials to His Majesty.

With regards to trade relations between the two countries; Spain exports to Oman various products; foodstuff, building material, plastic, machinery and other manufactured goods.

Trade delegations of both countries visit to explore the market, study new possibilities for commercial growth and exchange view points.

An Omani trade delegation from the Oman Chamber of Commerce and Industry visited Spain in 1987 and a Spanish trade delegation visited the Sultanate of Oman last year, discussing in detail matters related to increase in volume of trade and ways of improving business relations between the two countries.

Various Spanish companies participated in trade exhibitions in Oman and several Omani businessmen visited Spanish trade fairs on invitations from Spanish manufacturers and companies. The volume of trade between the two countries is expected to increase further and it appears that Spanish products are suitable for our market as the products are of high quality similar to those of other European countries and at the same time prices are competitive in comparison to other European products.

The Spanish economy is experiencing a period of healthy growth, which is attributed to the increase in volume of trade with other European countries and inflow of foreign investment as a result of its joining the European Economic Community in 1986. [passage omitted]

New Link With UK Discussed*44000604a Muscat TIMES OF OMAN in English
13 Jul 89 pp 1, 2*

[Article by Bala Menon: "New Oman-UK Link Coming"]

[Text] The Sultanate and Britain are to form a joint organisation to re-inforce the already strong commercial relations between the two countries.

"We are looking at forming a body comprising representatives of the Commercial Section of the British Embassy in Muscat, the Export Credit Guarantee Department of the British Government and the Department of Trade in London along with officials on the Omani Ministry of Commerce and Industry and the Oman Chamber of Commerce and Industry [OCCI]", Mr. Brian Baldwin, First Secretary (Commercial) of the British Embassy, told the "Times."

Oman ranks 41 in the list of Britain's trading partners and third in the Gulf region, after Saudi Arabia and the UAE. Kuwait is listed at 43 according to figures collected by the London-based Committee for Middle East Trade.

The main thrust of the joint organisation would be exchange of visits of officials of both countries twice a year to identify specific areas of cooperation. "The British commitment to Oman's development is a long-term one and the process is mutually beneficial by both countries."

The formation of the joint body should be finalised after the summer. Although trade and political ties have bound the two countries for several centuries now, there is no organisation like the Omani-American Joint Commission which helps identify and execute projects jointly.

There is an Anglo-Omani Society, established 13 years ago and which has the patronage of His Majesty Sultan Qabus. The society is actively involved in promoting Oman in Britain and is playing a sterling role in cementing cultural ties. It also acts a forum for the exchange of knowledge about each country.

A special thrust of the new joint organisation would be in the field of small and medium-scale industries which have seen incredible growth in Britain in recent years. Mr. Baldwin said the British Embassy would in September/October make a presentation, in association with the OCCI, to enable small Omani companies to get in touch with British firms.

The industrial estate at Rusayl is also an area of interest where Omani-British joint programmes could be of benefit to the country's development.

Missions

The Embassy has also completed a list of trade missions scheduled to visit Oman in the coming months. The first is the Croydon Chamber of Commerce (South London) in September, followed by the Kent and Sussex Exporters' Club in October. In November comes the Birmingham Chamber of Commerce, whose work in arranging the displays at the Oman with Britain: Friendship and Co-operation festival in February evoked great admiration. Two missions, the Cardiff Chamber of Commerce and the Bristol Chamber of Commerce will arrive in January 1990.

Mr. Baldwin said the Cardiff mission should be particularly interesting. "Wales has been attracting increased investment from overseas, resulting in rise of 22 percent in new employment figures in what was previously a depressed area. The companies represented in the mission are real success stories in business."

Ministerial Decision To Set Up Agricultural Firm Issued

44000598b Muscat *TIMES OF OMAN* in English
13 Jul 89 p 20

[Excerpts] The Minister of Commerce and Industry, Salim Ibn-'Abdallah al-Ghazali has issued a Ministerial decision authorizing 22 individuals and companies to set up a company in the Sultanate to be called Oman Agricultural Development Company S.A.O.A.

The joint stock company will have a capital of RO 2 million.

Shares

The Ministerial Decision asks the founders to invite public shares from Omani nationals for the 80,012 unsubscribed shares, the value of each share being RO 6.

Public subscriptions will be open to Omani nationals and companies owned by Omanis fully for a period of one month ending on July 24, 1989.

The founders must abide by the provisions of the company's articles of incorporation and constitutive contract and of the 1974 Commercial Companies Law and other laws applicable in the Sultanate.

The Ministerial Decision says that the founders may not withdraw from the company during the period of incorporation until the date when the founding general meeting of the company endorses the incorporation measures.

Action Taken on Water Problem

44000592b Muscat *TIMES OF OMAN* in English
6 Jul 89 p 4

[Article by Bala Menon]

[Text] The Council of Ministers has drawn up a program to extend financial support to farmers in the Batinah region who opt for modern irrigation systems. This could amount to nearly 70 percent of the cost involved, depending on various factors.

At a press conference on Sunday, His Majesty's Advisor for Economic Planning Affairs and Chairman of the National Committee for Guidance of Water Use on the Batinah, Muhammad al-Zubayr, said that under the program, the Ministry of Agriculture and Fisheries and the Public Authority for Water Resources will chart out a course of action.

This would involve the identification of areas where the program could be launched and the recommendation of what systems would be ideal for different types of plants in different areas.

The committee was set up by royal decree in March this year, after a water crisis appeared in the coastal region due to sea water intruding into underground aquifers.

The program is designed for immediate implementation and Mr Zubayr said the farmers could also approach the Bank of Agriculture and Fisheries for the remaining 30 per cent of the funds needed.

Also included in the program is the need to regulate the kind of crops that are to be planted in specific areas and the Ministry of Agriculture and Fisheries is to soon increase its staff in the various agricultural extension projects to advise farmers. This is being done with assistance from the Food and Agriculture Organization.

Flood Protection Project Under Way

44000598a Muscat *TIMES OF OMAN* in English
13 Jul 89 p 1, 16

[Article by Meena Ganjvr]

[Text] A major flood protection project is to shortly commence in Muscat. The two-phased project will control and channel the water flow in Wadi al Ansab which has caused heavy floods in the past leading to loss of life and property.

The project, designed and being constructed by Directorate General of the Technical Affairs, Muscat Municipality, Diwan of Royal Court, involves construction of a dam and downstream works, according to a senior official of the Directorate.

"Work on the first phase, which is the downstream works, will be beginning very soon," the official said.

"We will be constructing the downstream works to drain al Ansab catchment in a reasonably controlled manner to the sea by constructing channels, large culverts and protection works."

Wadi al Ansab in western Muscat, is surrounded by fairly populous areas like Ghallah, 'Udhaybah and Ghubrah and drains the north-facing slopes of Jabal Tayin.

Rainfall falling on approximately 150 sq kms of the surrounding area in the Jabal flows through this wadi to the sea. Due to sparse vegetation and rocky terrain a large amount of water flows rapidly without infiltrating the soil.

At one time Wadi al Ansab had a large number of streams draining the Jabal. But with Muscat developing westward industries and company camps sprung up in the Ghallah area leading to blocking of the natural course of the water flow.

Furthermore, the flood flows were diverted to the eastern part because of obstructions and development in the traditional western channels causing severe damage to the low lying area of 'Udhaybah and Ghubrah.

The encroachment and narrowing of the natural escape route of water has been to a large extent responsible for the floods and this downstream work to be carried out would provide an alternate outlet for the gushing waters.

A series of culverts will be constructed to pass under the existing roads as well as the PDO gas pipeline running along one of the roads through the wadi. Levelling of ground will be done to make two escape routes for the water which would cross the dual carriageway and joint the sea.

The work, once completed, will be able to reasonably control floods like the one in 1987 which although not major did cause much havoc in areas like 'Udhaybah, Ghallah and Ghubrah which have a large number of industrial units and residential camps.

Evidence of the last flood, which demolished many compound walls, is visible on some of the buildings which still carry impressions of water levels under which they were submerged.

However, the downstream work alone would not be able to control widespread floods such as that of 1981 which submerged a large area and claimed lives.

Floods of that size can only be prevented by constructing a dam which will be done under the second phase of the project.

The dam, planned to be constructed in a gorge on al Ansab wadi will be essentially a water retention dam which would be capable of controlling massive floods caused by deluge which happens not often but when it does occur it brings a lot of destruction and misery.

On the basis of calculations the dam will hold back a 500 year flood, which means a major flood that could occur once in 500 years.

The 22 meters high and 250 meters long dam once constructed will have a reservoir capacity of 17.7 million cubic meters—the capacity to hold severe floods which are estimated to occur once in 500 years.

To take care of an even worse eventuality, which might occur once in a 1,000 years or so the project also proposes to construct two "col" dams on the reservoir, which would act as "safety valves". The two col dams will be so designed that if the deluge exceeds the reservoir's holding capacity the excess water would spill over the col dams or even break them and allow the water to flow to other wadis for safe escape to the sea without damaging the main dam. The construction of the al Ansab dam itself, as phase two of the project, therefore, assumes importance.

Drilling Permit Requirements Explained

44000604b Muscat *TIMES OF OMAN* in English
13 Jul 89 p 7

[Article by Bala Menon: "Wells-the Requirements for Permits"]

[Text] The availability of drilling rigs and powerful pumps in the Batinah region has made the construction of deep wells easier and the effortless extraction of water today in thousands of farms has dramatically increased the capacity for exploiting underwater resources.

The National Committee for the Guidance of Water Use in the Batinah set up by Royal Decree in March is now working on proposals and implementing various steps aimed at conservation and effective water management.

According to the Water Resources Development Law (Royal Decree 76/77) it is illegal to drill a well without permission and the fine for doing so may be up to RO 1,000.

A formal well permit system was established by the Ministry of Agriculture and Fisheries in the early 1980s. Responsibility for administering this system was transferred to the Ministry of Environment and Water Resources in 1987 and now rests with the newly-formed Public Authority for Water Resources.

No Records

However, despite the fact that the permit system has been in existence for some years, many people have ignored the requirement for a well permit and drilled new wells. The result has been that in many areas salt water is intruding into aquifers.

There are no complete records of the number of wells operating in the Batinah and other regions. The only records which exist are for those wells for which well permits have been granted. This excludes those wells which had been constructed before that date and those which have been constructed illegally. Rough estimates speak of tens of thousands of wells, both shallow hand-dug wells and deep-drilled boreholes on the Batinah alone. The deeper boreholes in the region are about 200 metres deep.

The law stipulates that anyone wishing to construct a new well or to reconstruct, deepen, or clean an existing well must apply for a well permit.

Review

The applicant should either visit the head office of the Public Authority for Water Resources [PAWR] in Muscat directly or contact his local shaykh or wali who will write a letter to the PAWR.

The letter should include the applicant's full name, the location of the well site, the contact address of the applicant (often the local wali's office, whether the applicant wishes to construct a new well or improve an

existing one, the method of well construction, the proposed use of the well (domestic, agriculture, commercial), amount and quality of water needed, the type of irrigation system to be used if the water is needed for irrigation, and ownership papers for the land.

The application must also list other water resources on site - the types of wells, depth to water and total depth of well and approximate, estimated pumpage.

The application is then processed by the Public Authority for Water Resources. Each application is technically reviewed and a visit is made to every proposed well site. Although this may be a lengthy process, it is the only way to ensure that well permits are not granted in areas which are overdeveloped and where the groundwater is already being overpumped.

Well permit applications are automatically turned down in areas within 3.5 km of the mother well of a falaj and in those areas where well construction has been prohibited by Ministerial decision (the well-field protection zones and certain overdeveloped areas of the Batinah).

Prohibition

In many cases where well permits are granted, conditions are attached to the permit, such as limiting the size of the pump to be installed and usually restrictions are placed on the type of water use.

When a well permit is granted, the applicant is required to deposit RO 100 with the PAWR. This money is refundable on the completion and return of a form which is issued with a well permit concerning details of the new well.

The illegal drilling of wells is highly detrimental to the water resources of the area. Within each wadi drainage area, there is a certain amount of groundwater available for use. The quantity of water which can be safely used in a year depends on how much the groundwater is expected to be replenished by rainfall in an average year.

Approval Granted to Industrial Projects

44000592a *Muscat TIMES OF OMAN in English*
6 Jul 89 p 2

[Text] The Directorate-General of Industry at the Ministry of Commerce and Industry has issued two industrial licenses and four preliminary approvals for new industrial projects.

The investment costs of these projects, in accordance with their feasibility studies, is RO 1,844,431.

The first project to secure an industrial licence is one for the extraction and operation of gypsum in Salalah. The production capacity of the project will be 100 tonnes annually. The investment cost is RO 510,000.

The second project given an industrial licence is for converting skins and hides into leather and producing wool. A total of 91,250 sheep skins and 26,650 cow skins

will be tanned and 45,625 kilograms for wool produced under the project, which has an investment cost of RO 131,931.

The total investment cost of the two licenced projects is RO 931,641.

In addition to these, preliminary approval has been granted to four projects:

- Gas filling in Ibra'. Production capacity: 7,000 tonnes. Investment cost RO 575,000.
- Production of silk and silk products in the Rusayl Industrial area. Production capacity: 125,000 tonnes. Investment cost: RO 600,000.
- Filings in Birka'. Investment cost: RO 11,000.
- Dried foodstuff canning. Production capacity 300 tonnes annually in Busayr. Investment cost RO 16,000.

The total investment cost of the projects given preliminary approval is RO 1,203,500.

Textile Mill Entered Retail Market

44000598c *Muscat TIMES OF OMAN in English*
13 Jul 89 p 21

[Text] The first textile mill in the Arab Gulf Cooperation Council states—the Oman Textile Mills SAO—which opened at the Rusayl Industrial Estate in November last year, has now officially entered the retail market.

A new showroom has opened in al Khuwayr, offering world-class fabrics which include suiting, shirting, dress materials for women and cloth for dishdashas.

"The showroom also helps us get a direct feedback about the customer's taste and dislikes and ensures reasonably priced fabrics and gives us control on the market price", Mr M. Shrinivasan, Chief Executive of Omantex, told newsmen after a conducted tour for the media of the plant at Rusayl.

More showrooms will be opened across the country gradually. Already, response has been good and sales have totalled RO 150,000 in the short time the firm has started marketing efforts. Official Oman imports of cloth stand at 35 million meters every year, although no statistics are available on the amount coming via Dubai. Omantex has an installed capacity of seven million meters "and we are confident that we can compete easily with the imported material here, both in terms of quality and price," Mr Shrinivasan said.

Omantex, which was started with an investment of RO 8.5 million, uses the latest technology from Japan, Switzerland, West Germany and Italy. The mill also has a well-equipped laboratory which, in due course, is expected to become a test house for the standardization for textile quality in the country...

Of the employees at the mill, about 35 percent are Omani nationals. "Training of more Omanis is continuing".

Omantex is also confident of contributing to the industrial growth of the country. "The textile industry is like a mother industry—in the sense that it gives rise to ancillary industries such as the manufacturing of accessories, store items, nuts and bolts, dyes, chemicals, compressors and filters", Mr Shrinivasan said.

QATAR

ACC Cooperation With GCC Encouraged

44000609d Doha GULF TIMES in English
18 Jun 89 p 3

[Article by T. M. Anantharaman]

[Text] Reorganization of Qatar National Navigation & Transport Company's ship repair yard under a new management and restructuring of marketing approach to shipping industry recently are expected to boost the business of the shiprepair yard at Umm Sa'id.

Navigation has two new managers now Mr Nasir al-Rumayhi has taken charge as commercial manager and Mr Muhammad Shuwaykh is the manager for shiprepair and steel fabrication department.

Mr al-Rumayhi sees brighter prospects for the Umm Sa'id ship repair yard.

The reason: Navigation has streamlined prices for ship repair work by reducing them since January this year to make them competitive with other shipyards in the Gulf region. Also, facilities of the steel fabrication section are being extended to industrial units.

"The two new approaches are marketing-oriented and we expect to get more business in Qatar and from neighboring countries in the Gulf," says al-Rumayhi.

The Umm Sa'id ship repair yard, became operational in 1982. Mr Shoueikh said: "For the first time since 1982 the yard is fully booked and we have 100 percent occupation. We are taking orders and giving advance schedules."

The shipyard has a designed capacity to accept 100 ships a year, but utilization so far has only been up to 50 percent or 55 percent. With the reduction in prices, Mr Shoueikh expected the utilization capacity to go up to 70 percent or 75 percent.

Navigation's ship repair yard, he said, had done major repair works for many outsiders and Navigation's own fleet of vessels. But the trend is said to be more for outside vessels than for servicing own fleet.

"Since the cut in prices the lead time for repairs too have been reduced substantially and more vessels are coming to us for repairs," the manager said.

Mr al-Rumayhi said price reductions amounted to 25 percent to 30 percent and that navigation's commercial section was contacting all ship-owners in the area and advising them of the changes in management and the price reduction.

"Before we had no programme to promote marketing activities. Now with this campaign put through with the formation of the commercial department we have made progress," the commercial manager said.

The steel fabrication section, he said, had the most modern facilities in Qatar and the attempt was to use the facilities to serve the industries. "This year we have some good jobs, especially from Qasco, and we are offering the best prices for the plants in the industrial area."

Even the highly specialized jobs like reconditioning of shafts, rotors and bearings are being done by helifusion technology under licence from Helifusions of UK and to the approved standards of the American Bureau of Shipping and Lloyds of UK.

Navigation is also studying new projects such as manufacturing box containers in the Umm Sa'id facility. Fabrication and assembly of trailers has begun on a trial basis with a view to marketing them in Qatar and the Gulf area.

The company is negotiating with a Yugoslavian firm, Gorica, for a joint-venture project for production of tankers for heavy lifts in Qatar.

Mr Shuwaykh said the steel fabrication section was diversifying to meet needs of all factories in Qatar. Last week a new overhead crane was supplied to Qasco. So far 50 overhead cranes have been supplied in the Gulf region.

"We have a joint venture with Munck of Germany. In this year, we have supplied two overhead cranes. All signs show good improvement in business so far," he said.

Mr al-Rumayhi joined Navigation after working for Gulf Air for six years in Bahrain doing marketing planning. Mr Shuwaykh was docking engineer and repair coordinator for 12 years with Navigation before becoming manager in January.

INDIA

Gandhi Lok Sabha Statement on Election Plans

46001559 Bombay *THE TIMES OF INDIA* in English
27 Jul 89 p 1

[Text] New Delhi, July 26 (UNI & PTI). The Prime Minister, Mr Rajiv Gandhi, said here today that elections would definitely be held on time, but the exact timing would be "decided by us".

Asked what his strategy would be since the Lok Sabha has been virtually dissolved by the opposition, Mr Gandhi said the government would go ahead with the scheduled business and complete it.

The Prime Minister ruled out the possibility of dissolving the Lok Sabha now.

This sets aside speculations that Mr Gandhi might dissolve the Lok Sabha in the wake of the resignations of the opposition members from the house.

About his reported statement that this was to be the last session of the Lok Sabha, Mr Gandhi explained that elections were scheduled to be held in mid-December. For this, the election process had to begin from mid-November.

If another session was to be held, this also would have to begin some time in the middle of November, and that was why he had said this would be the last session.

Papers Report Reaction to U.S. Trade Allegations

22 Jun GATT Meeting

46001512 Madras *THE HINDU* in English
23 Jun 89 p 1

[Article by Chitra Subramaniam]

[Text] Geneva, 22 Jun—In an oblique warning, India today asked the United States to abandon the course on which it had embarked, failing which, the Indian Ambassador said, "Participating countries would find it extremely difficult to negotiate under threat of unilateral retaliation."

Addressing the GATT council this afternoon, the chief Indian negotiator Mr Bal Krishan Zutshi said "what deepens our anxiety is the threat of unilateral retaliation for securing changes in our domestic macro-economic policies which are crucial to the realisation of our developmental objectives of growth..." The Ambassador pointed out that the U.S. threat of retaliation was "already causing uncertainties for our trade" adding that "We cannot accept dictation on these matters from any source."

Not Covered By GATT

Mr Zutshi reiterated that the U.S. threat of unilateral retaliation in India's case—involving as it does possible

violation of GATT rights—was being used for securing changes in areas not covered by GATT.

The council held a special session yesterday to focus on 301 action where India, Brazil and Japan had been named by the United States as champions of "unfair trade practices" inviting retaliation. The special session's sole purpose is to review developments in the trading system.

Today's ordinary session of the council also includes U.S. trade actions threatened against India, Brazil and Japan and by asking that the 301 issue be inscribed on the agenda, India ensured that the matter becomes an integral part of GATT deliberations. The EEC firmly supported India today.

In the two-day session of the GATT council (21-22 June), the United States faced total isolation on the 301 issue. But this did not deter its Ambassador, Mr Rufus Yerxa, from stating that his administration found all this criticism "without merit."

Methods Being Questioned

India replied that the American position in the special session did not allay fears and apprehensions about 301. "What is being questioned here is not the desire of the U.S. Government to seek changes in the present trading regime or liberalisation of trade, but methods being employed to secure that change."

Mr Zutshi, replying to the welcome accorded to him—he took office last Monday—said that he was not entirely new to the scene and had been associated with one limb of GATT. "That limb was severed and that remains a bleeding wound," said the Ambassador adding that he hoped that limb could be joined back. The reference was to the notorious multifibre agreement (MFA)—Mr Zutshi was closely associated with MFA 3—and the "bleeding wound" referred to the unsuccessful attempts by the Third World to bring the textiles and clothing sector into GATT so that the discriminatory MFA could end. Mr Zutshi's immediate reference to that issue in this manner prompted several Western diplomats to say "at least we know where the new Indian Ambassador stands."

Threatens Exports

Brazil, which spoke this morning, said it had already expressed itself yesterday on the multiform evils, potential and actual, of the super and special 301 clauses of the U.S. trade bill. "The U.S. announcement in the case of Brazil places under threat the entire Brazilian export sector," said its Ambassador Mr Rubens Ricupero, adding that his country could not accept "bilateral consultations on the framework of the internal law of any other country."

The surprise of the day came from Japan which called the U.S. action "deplorable" with possibilities of "political ramifications." The Japanese said they refuse to negotiate under these circumstances.

GATT-watchers have been quick to point out that the U.S. 301 action could not have been defended under any circumstances and that it was relatively easy for countries to let off steam during these two days. The real test would come when the negotiating groups on each of these issues meet (beginning in July) especially since the United States still retains the right to retaliate.

Brazil has already set the ball rolling. At the informal consultations last week in the Uruguay round negotiating group on non-tariff measures (NTMs) Brazil noted that it was the target of U.S. action under "Super 301" among other things, for its NTMs and under the circumstances, would be unable to negotiate in the group. Since India has already stated that it will not negotiate under threat, there is keen interest here on the position it will take at the groups negotiating on intellectual property rights scheduled for early July.

Defends 'Warning'

Addressing the Special Council yesterday the U.S. Ambassador, Mr Rufus Yerxa denied that the U.S. actions ran contrary to GATT rules and stressed as expected that no action was yet in place. His Government, the Ambassador said, had "merely identified in a transparent way" its trade priorities and was asking countries to negotiate in a rational way, "The United States is not seeking to undermine the multilateral system," said Mr Yerxa adding that it wanted to do away with what it considered significant barriers to world trade so that all contracting parties could benefit. He said the U.S. markets were open.

The ambassador was replying to an earlier Indian statement criticising the recent U.S. warning to India, Brazil and Japan of retaliatory action.

Replying to the United States, Ambassador Zutshi of India said what was in question was not the openness of the U.S. markets but whether the U.S. actions were consistent with its GATT obligations. "The U.S. statement is not convincing and India continued to have serious reservations," Mr Zutshi said.

Brazil too joined India in pointing out that the status of the U.S. markets was not in question. The Ambassador said the U.S. actions ran contrary to international law which condemned not only unilateral sanctions but all threats of such action. He then called upon the special council to issue a statement on the issue failing which, he said, "the impotence" of the council would be evident.

The Director General of GATT then intervened to say that the issue would be taken up again in the special session of the trade policy review mechanism.

Ambassador's 21 Jun Statement

46001512 Madras *THE HINDU* in English
22 Jun 89 p 9

[Article by Chitra Subramaniam]

[Excerpt] Geneva, 21 Jun—In a dignified and short statement, India today sent a clear message to the United States Trade Representative (USTR) that the "implementation of the 301 provisions will emasculate the multilateral trading system and bring the process for preserving and strengthening it to a halt."

In his address to the GATT's Special Council, the Ambassador, Mr Bal Krishan Zutshi, said that while the multilateral process was in progress in the Uruguay Round, "one of the participants has decided to secure its aims bilaterally, not by persuasion or negotiation but through the use of economic sanctions." The U.S. action, the Ambassador said, is a serious departure from the well established and recognised norms of international conduct whereby economic agreements are expected to be reached "not by dictation of terms by one of the participants, but by recognition of mutuality of benefits."

On 25 May, the USTR, Ms Carla Hills, named India, Brazil and Japan under the "Super 301" provision of the U.S. Trade Act as priority countries with unfair trade practices and demanded bilateral negotiations with each of them for changing their laws. Investigations have already started against the three countries. Separately, the United States placed India, Brazil and six other Third World countries on a "priority watchlist" under the "special 301" clause for action on intellectual property issues and gave them 150 days to negotiate their way out of the list. A host of other countries are on a watchlist and the USTR is going to watch their "behaviour" in the Uruguay Round to decide what action to pursue.

India's chief negotiator in Geneva—who took office last Monday—stressed that with the growing number of countries facing the possibility of 301 action the threat to the multilateral trading system was deepening, and the recent U.S. actions would start a spiral of retaliatory measures which could choke international trade flows. "An agreement secured under duress cannot last."

GATT Rights

India's concern, the Ambassador said, is heightened by the fact that GATT rights are being threatened for securing concessions in areas of economic policy outside the scope of GATT. Investments, intellectual property rights and services—the three areas for which India has been targeted—are not covered by GATT. Some aspects of these three subjects are currently under discussion in the Uruguay Round. "We find it difficult to reconcile ourselves to the action which tends to seriously impair the GATT system coming as it does from a contracting party which has been its chief architect," Mr Zutshi said,

adding that in the United States' actions, there was not even a pretence of consistency with GATT. [passage omitted]

Commerce Minister's Interview

46001512 Calcutta *THE TELEGRAPH* in English
11 Jun 89 p 11

[Union commerce minister Dinesh Singh spoke to Tushar Bhatt and Sandhya Jain about the implications of the United States accusing India of unfair trade practices]

[Text]

[THE TELEGRAPH] How do you view the U.S. action of accusing India of unfair trade practices under the super 301 provision of the U.S. Omnibus Trade Act? Does the government of India propose to open talks with the United States?

[Singh] This action is unfair, irrational and it goes against the multilateral discussions that are going on. We regard the U.S. Omnibus Trade Act as a national law of the United States which is not binding on other countries. We believe that the real solution lies in multilateral discussions and in establishing a trade regime which is universally accepted and not based on bilateral relationships, largely because we are all attempting a free trade system. That can be established only if it is universal or at least agreed multilaterally by those countries that wish to participate; that is the reason for the establishment of GATT (the General Agreement on Trade and Tariffs) and our own membership in it.

We regard this kind of bilateral action to be counter to the dialogue that is going on. The United States itself is committed to a multilateral system, therefore, we are unable to understand why they are going forward on a unilateral basis.

Take the two issues in which we have been mentioned by them. One deals with investment which is part of the Uruguay Round of negotiations: it comes under TRIMS—Trade Related Investment Measures. If we are discussing that in Geneva, then we cannot disclose our cards in advance on a bilateral basis.

Similarly, the question of insurance is part of 'Services' which are being discussed under the Uruguay Round. We cannot disclose our negotiating stand by discussing it earlier with another country. I hope that the general public opinion all over the world, not only in India, Brazil or Japan, but also other countries and Europe will convince the United States that it is not good to press unilaterally an issue when multilateral negotiations are going on.

I would like to point out that while the United States talks of the need for liberalisation of other markets, it has not liberalised its own. It is a major protectionist country, and becomes even more so when goods of

developing countries are concerned. Whether it is textiles, sugar, or anything else, they immediately have quotas or tariff restrictions.

[THE TELEGRAPH] There is a feeling that the United States does not dare do this vis-a-vis the European community. Why do you think they singled out India?

[Singh] It's very difficult to assess the mind of another country or the compulsions under which it acts. I do not know why they have chosen India and Brazil. Perhaps they felt these countries had taken an active role in multilateral negotiations and therefore, any pressure on them would make it easier for the United States to press its point of view in multilateral negotiations. Also, they may not have wanted to single out Japan.

[THE TELEGRAPH] The Americans seem to be angry with us about the Special 301—intellectual property rights. Can these differences be resolved?

[Singh] The main difference is in pharmaceuticals, chemicals and food-related things. Here you bear in mind that the prices that are fixed are according to the affordability of the people. Now suppose there is a tablet for one dollar, in India it becomes 15 rupees. One dollar according to the earning power of an American is not the same as 15 rupees according to the earning power of an Indian. Now these multinational corporations are equally free to manufacture drugs here and sell at prices that are affordable, but they can't expect to make profits in the same terms as in the United States.

[THE TELEGRAPH] Do you feel that there were some other considerations such as increased self-reliance, especially in defence matters, that prompted the U.S. action? It comes almost immediately after the success of the Agni launch. Do you think the United States has given notice of a trade war against India?

[Singh] I would not say that it is totally related to Agni. Even if Agni had not taken off, this might have come. But there is certainly pressure on Agni, independent of this.

[THE TELEGRAPH] If eventually the United States carries this threat out, what will be the impact on Indian exports to the United States?

[Singh] If they carry out this threat and take trade-related measures, we shall have to go to GATT and activate the safeguard mechanism.

[THE TELEGRAPH] Do you think the U.S. action will work as an impetus to increase our export drive to other countries?

[Singh] I have been saying that we should not be dependent on any one country or group of countries, that we should attempt a more diversified trade. We have a very small share of global trade and we need to expand it. The large Indian industry is now beginning to realise that they have to participate in the export effort. I have made

it quite clear that if there is not sufficient voluntary action by them, some kind of pressure will have to be applied.

After all, where is the foreign exchange to come from? Today, we have to provide foreign exchange from the operations of the medium and the small sector and elsewhere to feed the larger industries. This is irrational and unfair. We have asked them to send us their strategy for export and we shall see that they not only become self-supporting in earning foreign exchange, but contribute to the national pool also.

[THE TELEGRAPH] What role do you envisage for the Board of Trade that the government has recently reconstituted?

[Singh] The Board of Trade was constituted after the FICCI [Federation of Indian Chambers of Commerce and Industry] chairman made a representation to the Prime Minister. The one point industry has been making is that trade cannot be considered in isolation. That unless trade and industry are linked it will not succeed because you can only export goods if you have them. You must have export goods that are acceptable in foreign markets, and at the prices that are internationally acceptable.

[THE TELEGRAPH] Given last year's export performance, what kind of goals have you set for exports in the last year of the Seventh Plan and for the Eighth Plan? What strategy are you going to adopt to meet your targets?

[Singh] If the production process keeps up, and if we have the infrastructure to meet the growth, we shall have very large exports. Two things are very important. We must have the goods to export, and goods that are acceptable at international prices. All our support to industry is only to facilitate their getting inputs at international prices. Therefore, output must also be at international prices and quality.

Some difficulties have been pointed out, restrictions on growth for instance. That we shall have to examine, whether it is matched by export commitment. Related with it is the infrastructure. Unless there is power, industries cannot run. This year we experienced great difficulty at the ports and at the airports. Large amounts of goods had accumulated and we had to bring in large numbers of charters to move them, which proved quite expensive.

[THE TELEGRAPH] Do you find a sea change in the political atmosphere today, as compared to a few months ago? The Congress was taking a beating, but now it seems as if the tide has turned.

[Singh] The tide is definitely in our favour. Those who were quite pessimistic about our future sometime back, are themselves admitting that the Congress prospects are bright and that it will form the next government. That is encouraging. I think that there are two major factors.

One is the measures that have been introduced by the Prime Minister which relate to the people directly, like the Panchayati Raj system, Jawahar Rozgar Yojna, and other such schemes. The Opposition has not come forward with any measure which will benefit the people if they were to come to power.

Secondly, all the charges that the Opposition levelled against Congressmen have not been established. On the other hand, the charges against the leaders of the Opposition are far more credible. There is a feeling now that here is a party, whatever its weaknesses, that is thinking of us, is working for us. Here is another group which has not produced anything for us, and all the charges they made are more applicable to them than to those against whom they were made.

[THE TELEGRAPH] In an earlier interview to THE TELEGRAPH, you had predicted that the V.P. Singh factor would not amount to much. Has this factor receded further since then: what is the situation in the Hindi heartland?

[Singh] I didn't think V.P. Singh was a serious factor at all. And as you will see now a lot of controversy has built up in the Opposition against him. One of the problems of the Opposition is that there are too many claimants for the chair of Prime Minister. Therefore, there is tremendous amount of confusion. Here we have one claimant for one chair, so there isn't any confusion.

Frankly, V.P. Singh never had a very strong position in the Hindi heartland, ever. He got built up more in the newspapers than on the ground. And what people are realising now is a reality that had always existed. He was the chief minister of U.P. [United Party] and he failed and resigned. How can there be confidence in him in the Hindi heartland?

U.S. Ban on Test System Sale Setback to Relations

46001562 Madras THE HINDU in English
20 Jul 89 p 9

[Text] New Delhi, July 19. The U.S. decision to ban the sale of the combined acceleration vibration climatic test system (CAVCTS) to India used for testing missile and satellite components by simulating heat and vibration conditions has chilled the warmth developing between India and the United States on the issue of defence technology cooperation.

Indian officials feel that while the substance of the decision, though unexpected, will not in any way affect Indian missile or space programmes as such a device can be fabricated within the country, the wider issue of the reliability of the United States as a supplier in any defence cooperation arrangement can be called into question again.

This decision is bound to revive Indian misgivings which had originally been raised during the controversy surrounding the fuel supply to the Tarapur atomic power plant. Recent moves promoted by Indian and U.S. officials to develop a structure of cooperation are bound to be affected as the U.S. has again decided to apply retroactive restrictions on previously arrived at agreements.

The CAVCTS had been licensed for export in 1981 but India had not used the licence then. However, under pressure from some congressmen, the United States halted the mandatory approval of the licence that had come up for renewal earlier this year. The excuse given, according to reports, is that it violated U.S. commitments to the missile technology control regime (MTCR), which the United States and six other western countries, including Japan, signed in April 1987.

It was expected that the visit of the Defence Minister, Mr K.C. Pant, would offset the pressure being applied on the administration to ban its sale since the beginning of the year. However, this has not happened. In fact, it is not clear even now as to what Mr Pant was able to get from the U.S. in concrete terms beyond commitments for further discussions on some Indian requests.

With the United States also in the competition to provide technologies for the light combat aircraft (LCA) project and with talk of cooperation in the area of underwater technologies, India would have to take a hard look at any U.S. linkage as the possibility of retroactive ban on some items of technology or a sudden restriction in the export of some items cannot be ruled out.

A recent U.S. House of Representatives vote with regard to a proposal to delete even the meager \$25 million aid to India was defeated by a 212 to 207 margin pointing to the fragility of Indian support in the House. In practical terms, India, which has to decide on its LCA contracts soon, will have to think hard whether it is advisable to even consider U.S. bids.

In recent years, the United States has been following a two-track policy with regard to India's defence capability. On one hand, it has expressed an interest in participating in India's ambitious defence R&D programmes in a bid to delink India's Soviet arms supply connection but on the other it would like to restrain India's growing defence capabilities, especially in the strategic areas as that would upset its concept of global and regional power balance.

Improving Relations With Neighbors Viewed

46240043 *Bombay NAVBHARAT TIMES in Hindi*
22 May 89 p 6

[Article by Suryakant Bali: "Superpower: Compulsions and Limitations"]

[Excerpts] Had India not been partitioned four decades ago, its emergence as a superpower, which is now beginning, could have started a long time ago. Then the effects

of our recognition and influence would have been different. For instance, had our international frontier touched Afghanistan instead of ending at Dera Baba Nanak in Amritsar, the complexion of Afghanistan's politics would have been quite different, but this would not have affected our relations with the Gulf states. On the whole, the superpower status of an undivided India would have affected international politics in a distinct manner, and definitely for the better.

Undoubtedly, tensions between the two communities of Hindus and Muslims, would have grown at the same rate in an undivided India, and would have consumed India's internal strength at the same rate. But perhaps, if the two communities had been forced to coexist in an undivided India, they would have found a more realistic and better solution to their problems.

But political analysis does not dwell on hypothetical situations. This can only delight those folks who take a romantic view of history. The reality today is that even though the post-partition India has not emerged as a world power, it has gotten recognition as an obvious superpower of South Asia, and along with this it has to suffer a little blame as well.

Population and resources automatically place it head and shoulders above other countries. For India, which became independent after centuries of slavery, the creation of a Constitution, following a historic debate, was a world-shaking event, and even though we may treat this as a trivial matter and not want to attach too much importance to it, it is nevertheless a fact. Having adopted democracy, India was in a class by itself, and was more visible than other newly independent countries, for one reason or another, democracy either could not take root or it could not flourish.

Every parliamentary general election and smooth transfer of power lent brilliance to India's image on the international scene. The new and unique direction that Nehru gave to international politics by his policy of nonalignment after independence, has been unparalleled in the Third World. The three elements—constitution, democracy, and nonalignment—presented to the world the essence of all the achievements of India's thousands years old civilization, its total philosophical heritage, and its history. [passage omitted]

After this long eulogy of self-love, self-satisfaction, and self-praise, the question arises, can the Indian people reach the political heights expected from the people of a superpower. The first answer is that the above-listed achievements are not possible without the peoples' developed and liberal point of view. A country without materialism, suffering from ignorance, and without any pride, can never become a superpower. Clearly this answer is incomplete, since it is often noticed that on many critical junctures when a country needs decisive thinking and decisive steps, we appear to be faltering. This happens at both the common and the decision-making levels. Since our status today is nothing more

than that of a future emerging regional superpower, why shouldn't we judge ourselves on the basis of our own behavior? Today our relations with our tiny neighbor Nepal are touching a new record of smallness. Therefore this evaluation is all the more important.

India is a regional superpower, surrounded on all sides by small neighbors—Pakistan, Sri Lanka, Maldives, Burma, Bangladesh, Bhutan, and Nepal. If we disregard Burma's case, since far from moving out of its four walls, it doesn't even want to peer out, we may ask, are any of our neighbors happy with us? As a matter of fact, in view of the disproportionate difference of manpower and resources between our neighbors and us, if our neighbors look on us with suspicion so long as these disparities persist, it is not our fault. Perhaps it is not their fault either. But today our relations with each and every one of our neighbors have plummeted. Our soldiers are guarding Sri Lanka's integrity by sacrificing their lives. But the Sri Lankan government, its opposition, its Sinhalese majority, its Tamil minority, all of their suspicions toward India often appear synonymous with enmity and hatred.

India has always tried to cultivate cordial relations toward Bhutan. It has never hurt the Bhutanese prince's dignity or Bhutan's sovereignty. But why is it that Bhutan is always so impatient with India. Our relations with Nepal are based on thousands of years of unbreakable ties of language, history, culture, religion, and traditions. Why is anti-Indian feeling so endemic in Nepal, especially these days? The birth of Bangladesh was due to the sacrifice of Indian soldiers. As soon as the task was completed, the Indian forces did not overstay even for a second. India has never violated its sovereignty. So why does Bangladesh treat India distantly? Why does it only think of raising bilateral problems in international forums? Pakistan's creation was based on hatred of India. Therefore, its continuing hatred toward India is understandable. But why was it that even in the days when the guns were silent, we could not become friendly toward a plain practitioner in politics and diplomacy like Ziaul Haq? Why are we always so addicted to anti-Pakistan propaganda in all international forums?

If we look below the level of policy making, we begin to get astonished at the common people's level as well. Why has the Indian common man not been able to appreciate that dispatching of Indian troops to Sri Lanka was necessary to stop the stationing of foreign troops in that island. Or that the India-Sri Lanka treaty was essential to assuaging the feelings of our own Tamilnadu? Since the issues have not been properly presented at the common people's level, Indians often feel bad and think that by going to Sri Lanka we have done something wrong. So far, our mission there has not succeeded. Therefore, this feeling of revulsion may spread. 1,600 of our commandos went to Maldives. But can it be that the masses did not object to this because the commandos were successful in their mission? Why do we always look for success and on the first sign of failure, we turn self-criticism into self-denunciation. Superpower status

means acting with full deliberation. It is not just a question of success and success alone. Why do we get upset on a trivial issue like one Indian returning home after quitting his job in Bhutan? Why is it that the common man does not feel it important to consider the full implications of the worsening Indo-Nepal relations.

Many other such illustrations can be produced. For instance, there was an unprecedented student uprising in Burma. The dictatorship's rule appeared to be tottering. But the Indian people did not show an interest in it, nor could our decisionmakers form any constructive approach on this subject. On the Afghanistan issue, our hands have been tied for the last 10 years.

So what is the point of it? The significance of the status of a South Asian superpower, toward which India is rapidly moving, has not sunk into the people's minds, because after centuries of political and cultural slavery, we have not been able to create the self-confidence which the people of a great nation should have.

Its effect on the decisionmaking level is that sometimes we are upset with a neighbor like Pakistan, and at other times, we give our neighbors an excuse to get upset with us. It is true that India's close neighbors will ask for our aid in time of emergency, and even while accepting our help they will also suffer from the fear that India may not swallow them. On the other hand, India cannot let the self-willed actions of its small neighbors endanger its integrity and political interests. But this much is certain that at the South Asian level we can form our policies on a different footing than our policies toward various blocks of the rest of the world. From the point of view of geography, history, and culture, the entire South Asia is an indivisible and mutually dependent subcontinent. As far as trade and security are concerned, the needs and interests of all the countries are linked. Notwithstanding this, conflicts occur because every country has a tunnel vision of the aspirations of its nation state. Because India appears to be an obstruction in the way of the aspirations of its neighboring nation states, it becomes India's duty to go an extra mile in order to remove the groundless fears from the minds of its neighbors.

It is not difficult to do this. What is needed is a new basis of relations with these neighbors instead of the current international compulsions. Obviously, in this, India will be the one to lose something. Under normal conditions, a superpower's compulsions lead to limitations, but in South Asia, these compulsions can be transformed into successes, because temperamentally and historically, the people here are on the same level. A beginning can be made in changing the conditions by putting relations with Sri Lanka and Nepal on a nontraditional footing. By shelving prejudice and compulsions at the top level, and starting talks, some new decisions can be taken on trade-transit relations with Nepal, and the withdrawal of Indian troops from Sri Lanka. Decisive talks can be held with Pakistan on the Kashmir issue. Again, India will have to make such an unusual beginning, since it itself is

the South Asian superpower. But a word of caution, its attitude should not appear directed at achieving "greater India."

BJP Election Strategies Examined

Alliance With Janata Dal

46240051 *Calcutta RAVIVAR in Hindi*
1 July 89 pp 27-31

[Article by Rajesh Rapariya: "BJP's [Bharatiya Janata Party] Election Strategy"]

[Excerpts] The main purpose of the 3-day (9-11 June) meeting of the Bharatiya Janata Party at Palampur was to analyze the pre-election political situation and prepare the BJP for it. It is clear from the talks in this meeting that the BJP is willing, but not very eager, to cooperate with the Janata Dal if it helps defeat Rajiv Gandhi's government. The BJP is not very sure about possible collaboration with the Janata Dal for sharing constituencies. Atal Bihari Bajpai himself is only half convinced about this cooperation. It was Bajpai who was given the responsibility for holding talks between the two parties for cooperation during the elections.

The BJP has started making preparations for the elections keeping all kinds of possibilities in mind. Mr Lal Karishan Advani, president of the BJP, announced in his opening speech that there are two major elections goals for the party. First, to dethrone Rajiv Gandhi and second to have a strong presence in the Lok Sabha. In case the party fails to form a government, it should be able to play an important role in Indian politics. The BJP will work with the other opposition parties if they want to cooperate or will work alone to achieve these two goals if they do not.

The BJP believes that the role of North and Western India will be decisive in defeating Rajiv Gandhi. There are about 350 seats in the Lok Sabha from these two regions. The BJP needs 150 seats from the Janata Dal if it cooperates with them, however, the Janata Dal bosses only want to give 80 seats to the BJP in the whole country. If the BJP have to agree on this number then it is settled that the BJP will not provide any votes to the Janata candidates in other constituencies.

The BJP has divided the northern and western Indian into three categories according to its strength in those regions. The first category has the areas where the BJP considers itself very strong. These areas are: Madhya Pradesh, Rajasthan, Himachal Pradesh, and Delhi. The BJP believes that it will emerge as the most powerful party and be in a position to form its own government only if it does not form an alliance with the Janata Dal in these states. The second category includes Uttar Pradesh and Bihar. The BJP feels that it has strengthened its base in these states significantly not to consider sharing constituencies with the Janata Dal. Maharashtra and Gujrat fall in the third category where its roots have become stronger. The BJP has left the individual state

parties to decide whether to cooperate with other party or not. Mr Atal Bihari Bajpai is the final authority over these decisions.

The BJP strategy is to establish cooperation with the Janata Dal at its own (BJP) terms and put as much pressure on the Janata Dal as possible. The resolution about Ram Janambhumi and approval of cooperation with Shiv Sena in Maharashtra in the Palampur meeting point out BJP's efforts in this direction. The Janata Dal had strongly asked that the BJP not work with the Shiv Sena. The BJP has ignored this request. Similarly, the BJP clearly said in its resolution that Ram Janambhumi be given to the Hindus. The BJP proved during the last day of its convention in Palampur that its claim of controlling various constituencies is not false. Palampur's population is only 6,000 and the attendance in the meeting was over 60,000 persons. True, the Palampur area is BJP's stronghold, however, the Janata Dal had conventions in Agra, Ajit Singh's stronghold, and Bangalore, Hegde's stronghold, but it did not have more than 20,000 attendance even though these two cities have populations over lakhs and everyone in Janata Dal had attended those meetings. Thus, the BJP has shown its strength compared to Janata Dal.

According to BJP's young turk Pramod Mahajan, there will not be any problem in cooperating in constituencies in Gujrat state. He hopes that the BJP and Janata Dal will agree on equal distribution of seats in Gujrat. The BJP has already indicated who it will cooperate with in Maharashtra. Pramod Mahajan has played an important role in the BJP-Shiv Sena coalition. The BJP and Shiv Sena had also cooperated during the 1984 elections, however, the BJP was badly defeated. The BJP felt in 1985 that working with the Shiv Sena was not good for it and decided to sever its relations with Shiv Sena. However, Pramod Mahajan says that there is a world of difference between 1985 and 1989. According to him there has been a significant change in Shiv Sena's thinking. It talks about Hindus instead of focusing on Marathas only.

Pramod Mahajan admits that alliance between parties depends on two factors: principles and strength. There can be difference in the strengths of two parties, however, differences in principles cannot allow cooperation. For example, the BJP cannot work with the communist parties. However, two groups may have problems cooperating even when there is agreement in their policies, but are uneven in strength and influence like the BJP and Hindu Mahasabha. Shivsena and the BJP do not only agree on several issue as Ram Janambhumi, Section 370, the minority issues, but are also equal in strength. There is one more aspect. Shivsena does not have much interest in Lok Sabha elections from Maharashtra. That makes Pramod Mahajan believe that it would be easy to cooperate with the Shivsena. His rough estimate about the 48 Lok Sabha seats in Maharashtra is that 17 will go to the BJP, 17 to Janata Dal, 5 to Shivsena, and the remaining seats will go to parties like Kamgar Aaghadi and RPI.

Mahajan believes strongly that if the opposition parties agree to this breakdown, the Congress party will be crushed in Maharashtra. Pramod Mahajan is very excited about the Shivsena-BJP cooperation. He says that if the Janata Dal refuses to cooperate with them then it would be Madhu Dandvate's last term in the Lok Sabha.

The BJP strategy for the Lok Sabha elections is to form collaborations in Himachal Pradesh, Madhya Pradesh, Rajasthan, and Delhi based on the 1984 election results and in Uttar Pradesh, Bihar, Maharashtra, and Gujrat based on the present situation. It maintains that there is a big difference in the distribution of influence in these four states from 1984 to 1989. It should plan to measure their influence by closely observing meetings, rallies, and campaigns organized by these parties. The BJP demands that elections results of municipal committees, district committees, and village panchayats in Uttar Pradesh must be included in these observations. It clearly indicates that the BJP is very careful about cooperation over seats so that other parties do not take advantage of its influence. Not only the BJP national leaders, but also state-level leaders are keeping a total silence about the number of seats the BJP will campaign in Himachal Pradesh, Rajasthan, and Delhi.

Lalitkishore Chaturvedi, leader of the Rajasthan BJP, has openly stated that the BJP's situation in Rajasthan is similar to Janata Dal and the former Lok Dal's situation in Haryana. It is clear from Mr Chaturvedi's talks that he does not want to give more than five of the 25 Lok Sabha seats in Rajasthan to Janata Dal. Mr Chaturvedi cites Pali and Khetri election results where the BJP came out second while the Lok Dal candidates lost even their security deposits in both races. "We were burned in Pali and Khetri and are very careful. If the Janata Dal wants to cooperate keeping in view the present situation, the results will be positive." Mr Chaturvedi does not hide his fears. He openly declares, "Devi Lal projects Nathuram Mirdha as the future chief minister of Rajasthan during his trip here. How can we cooperate in such a situation?" [passage omitted]

This state-by-state survey clearly indicates that the BJP is not willing to bend very much in order to get cooperation from the Janata Dal. It is giving a heavy headache to the Janata Dal by passing the resolution about Ram Janambhumi in Palampur and showing the willingness to cooperate with the Shivsena. The BJP resolution about Ram Janambhumi has caused a lot of problems for the Janata Dal. The Vishwa Hindu Parishad has already decided on 9 November as the date for building Ram Janambhumi temple. It is going to start a 'Rama stone in each village' program soon. The Communist Party of India and Communist Party (M) both have decided to directly oppose this campaign. V.P. Singh is trying to maintain his secular position by keeping his distance from the BJP. He has to make his choice now to show if he wants cooperation from the BJP or wants to stay with the secular forces. The high level of confidence that the BJP is feeling now is demonstrated by Advani's strong

criticism of the Janata Dal in his Palampur speech. He said that the Janata Dal is not a party and its leaders do not agree with each other! The BJP has actually challenged the Janata Dal in Palampur and given the message that any collaboration between the two parties will happen on its (BJP's) terms and that it is not willing to bend. Mr Atalbihari Bajpai analyzed the present politics of the opposition parties very succinctly. He said that there appear to be many great charioteers, but no drivers. The next Mahabharata of elections will be fought without chariot drivers!

Looking To Capture More Seats

46240051 *Calcutta RAVI* in Hindi 1 July 89 p 30

[Article by Rajesh Rapariya: "BJP's [Bharatiya Janata Party] Election Strategy"]

[Text] There is a major difference in the viewpoint of the BJP now. Earlier, the BJP was sure that Rajiv Gandhi would be defeated out of the government. Congress workers were so demoralized that they were afraid to go to the people to talk to them. At that time, the BJP considered partnership in the government as more important than winning the number of seats. The policies followed by and the statements issued by the BJP indicate that it is thinking differently now. During his speech at the Palampur convention, Mr Advani said that there would be two major goals of their election strategy. One, removing the Rajiv government. Two, obtaining enough seats for the BJP in the 1990 elections to ensure that it plays a very important role in Indian politics, and becomes a permanent focal point. It is obvious that the BJP is more interested in getting as many seats as possible instead of just sharing the government. It is not willing to budge even an inch when discussing collaboration with the Janata Dal. The BJP knows that it has more at stake since the Janata Dal is already nominating a Janata Dal man for the prime ministership. Actually, it is the 1995 elections, and not the 1990 elections, that the BJP is focusing on.

The BJP knows well that the Janata Dal has become weaker. Mr Advani has strongly criticized the Janata Dal of being a coalition of several groups instead of being a well organized party. Mr Advani has avoided criticizing the Janata Dal until recently. It is obvious that the BJP does not recognize the Janata Dal as a power anymore. Mr Advani's critical comment in this speech was uncalled for. He pointed out the strife in the Janata Dal. This comment and the fall of the Karnataka government acted as a salve to the hurt Congress party workers.

The BJP is sure that it will get a lot of help on the Ram Janambhumi issue in the coming Lok Sabha elections issue. Even though the BJP claims that it does not want to make Ram Janambhumi an election issue, it should be remembered that BJP's sister organization, Vishwa Hindu Parishad, is starting the 'Ramashila' project. This will help bring the Hindu emotions to a high during the elections. Only BJP will benefit from it. The BJP leaders

believe that this issue will have great impact on the Lok Sabha elections in Uttar Pradesh. Therefore, it is not surprising that the BJP is asking for 35 seats from the Janata Dal in the election collaboration.

Aborted SAARC Meeting Said To Have Lessons for Nation

46001513 Madras *THE HINDU* in English
30 Jun 89 p 9

[Article by K.K. Katyal]

[Text] New Delhi, 29 Jun—Events triggered by Sri Lanka's boycott threat have raised a big question mark regarding the future of the South Asian Association for Regional Cooperation (SAARC) at a time when it was inching towards consolidation.

As the foreign secretaries of the member-countries—except Sri Lanka—left Islamabad after announcing the postponement of the ministerial meeting fixed for 1 and 2 July, they had no idea of how and when and at what level the deliberative processes would be revived. This coupled with the conditions attached by Sri Lanka for hosting the next summit in Colombo has caused acute uncertainty about the role of the grouping. It was in the midst of all pervading scepticism that the foreign secretaries decided to send the SAARC Secretary-General, Mr Abdul Ahsan to Colombo to stress the importance of its sticking to the time-table of the summit.

Lessons

What happened at Islamabad has many lessons for India. It could have the satisfaction that none of the countries represented there was critical of India in public. Even in private discussions, they were far from strident while expressing themselves on issues, raised by Sri Lanka through its boycott threat. But some of them, including Pakistan, the host country, did plead for a gesture by India to mollify Colombo (in the form of a statement, indicating a loose timeframe for the withdrawal of the Indian Peace Keeping Force from the island).

India resisted the suggestion as its acceptance would have led to the import of bilateral disputes in the SAARC forum. Whether or not others gloated over New Delhi's discomfiture, they were not prepared to go through the scheduled meetings because of Sri Lanka's absence.

Sri Lanka's arguments despite their obvious flaws seemed to have carried greater weight than India's counter-points. For instance, Colombo, through remote control process, as it were, was able to convince others that the Prime Minister, Mr Rajiv Gandhi's response to the issues raised by the Sri Lankan President, Mr R. Premadasa, was not satisfactory. India sought to counter it by drawing attention to the factual position—that Mr Gandhi's reply had not been delivered to Mr Premadasa at that point—but it did not make any difference.

Pakistan abandoned its initial caution when it circulated to other members the letter sent to it by the Sri Lankan Foreign Minister, Mr Ranjan Wijeratne. It, however, accommodated India while drafting the press release. None of the members was prepared to go through the scheduled discussions at various levels—by the programming committee of senior officers, the standing committee of foreign secretaries or the ministerial conference.

The foreign office will have to do some hard thinking on the situation created by the dramatised protest of Sri Lanka and its impact on other SAARC members. Incidentally, when the Sri Lanka problem entered the latest difficult phase, neither the Minister for External Affairs, Mr P. V. Narasimha Rao, nor the Minister of State for External Affairs, Mr Natwar Singh, nor the Foreign Secretary, Mr S. K. Singh, was in Delhi.

Trying Time

For the SAARC, it is a trying time, indeed. What was feared before and at the time of its inception in 1985 has happened. The contradictions inherent in a grouping of a big-size country, and six small neighbours, have come into play, slowing down, if not reversing the halting advance by it in various spheres. This despite the precautions taken by the architects to forestall mishaps of the type, witnessed at Islamabad this week.

Before the SAARC formally came into being deep thought was given to its mode of functioning. In remarkably candid discussions, the reservations and doubts of the participating nations were examined at length. The "big versus small" syndrome, it was noted then, could take varying forms—the brushing aside of the views of a small country by a combination of others, or small countries joining hands ("ganging up" in journalistic parlance) against the big one—India. This provided the rationale for two important provisions of the SAARC charter—"decisions at all levels shall be taken on the basis of unanimity" and "bilateral and contentious issues shall be excluded from the deliberations." In practice, this has been of no avail.

Opposition Resignations in Wake of Bofors Critique Told

Opposition News Conference

46001558 Madras *THE HINDU* in English
24 Jul 89 p 9

[Text] A common point made at a news conference here today by leaders of the 12 parties who have directed their members to quit the Lok Sabha forthwith was that they would lose no time, when the necessity arose, to stand together and defend the country's interests, protect democracy and strengthen national integrity. And they represented parties which mostly are ideologically at loggerheads with one another.

Mr E. M. S. Namboodiripad, general secretary of the CPI(M) [Communist Party of India-Marxist], a relentless campaigner for isolating the BJP [Bharatiya Janata Party] from the mainstream Opposition, sat at the same table with Mr A. B. Vajpayee and Mr L. K. Advani. Mr S. S. Barnala, Akali Dal leader, whose views on many matters are not in accord with other Opposition parties, came to express his solidarity on the issue of the Rajiv Government's resignation.

Despite their differences on some issues, the Opposition leaders were all agreed that the disclosures made in the C & AG's report had "established that the security, integrity and sovereignty of the country have been seriously compromised by the present Government. It has forfeited the right to govern." The C & AG's findings, said Mr V. P. Singh, Janata Dal president, were the most clinching evidence of corruption in the Bofors deal.

"Since the Prime Minister has not acceded to the legitimate demand for his resignation and the Lok Sabha does not any longer reflect or represent the will of the people, the Lok Sabha members of our parties will resign", said a resolution they unanimously adopted at a business-like meeting which took less than an hour.

"However, as the Rajya Sabha is a continuing institution, we reiterate our commitment to oppose this corrupt and incompetent Government and to continue registering all authoritarian and anti-people measures that it may propose, including encroachment upon the domain of the States as reflected in the proposed legislation on panchayati raj and municipalities."

Noting that the payment of Rs 64 crores as commission in the howitzer deal had, after repeated denial in the initial stages, long been admitted by the Government, the Opposition leaders' resolution said the Joint Parliamentary Committee was used only to defend the right of Bofors to commercial confidentiality in regard to the identity of recipients.

"The CBI [Central Bureau of Investigation] has been sitting pretty on the authentic documents published by THE HINDU more than a year back, containing devastating particulars of Bofors payoffs", it added. After chasing hard fact for three years quietly but persistently in the face of obstacles placed by the Government, the C & AG had now come out with a comprehensive and severe indictment of the Bofors deal.

"The C & AG is the supreme audit institution set up under the Constitution, and its reports stand on their own as findings of an expert body and do not require a parliamentary verdict. The only logical sequel to the C & AG report on the Bofors deal in a democracy is that the Prime Minister, who handled it personally as Defence Minister, should resign."

Obscene attack: They accused the Prime Minister of not only refusing to step down but of "orchestrating an obscene attack on the C & AG." Mr L. K. Advani underpinned the point that the late Dr B. R. Ambedkar,

who framed free India's Constitution, had described the C & AG "as probably the most important officer in the Constitution".

"The democratic conscience of the ruling party", added the resolution, "was not pricked when the entire Opposition withdrew from all the finance committees of Parliament as a protest against the improper manner in which the Public Accounts Committee chairman was appointed. The passing numerical preponderance of the Congress(I) is also being pressed into service to vilify the C & AG and nullify its findings.

"Fresh verdict needed?: At the press conference, Mr V. P. Singh said never before had the office of Prime Minister been brought to such disrepute in India. The C & AG's findings had established that Mr Rajiv Gandhi was telling lies on the Bofors issue for the past two years. The Government's action had exposed the country to the "malevolent influence of foreign powers". That was why the Opposition wanted that a fresh verdict should be taken from the people.

Mr Namboodiripad, Mr Advani, Mr S. C. Sinha, Congress(S) president, and several other leaders congratulated the Andhra Pradesh Chief Minister Mr. N. T. Rama Rao, for his initiative in bringing them all together to chalk out a common plan of action. Mr Devi Lal, Chief Minister of Haryana, said it was a criminal Government that was ruling the country. Mr Jyoti Basu, West Bengal Chief Minister, viewed the developments as a grave attack on parliamentary democracy.

Other speakers at the news conference included Mr P. K. Mahanta, Assam Chief Minister, Mr M. Farooqi (CPI) [Communist Party of India], Mr N. V. N. Somu (DMK) [Dravida Munnetra Kazhagam], Mr A. B. Vajpayee, Mr Chitta Basu (Forward Bloc), Mr Tridib Chaudhuri (RSP) [Revolutionary Socialist Party], Mr S. S. Barnala (Akali) and Mr D. B. Patil (PWP) [Peasants Workers Party]. They all stressed their unity of purpose.

NSUI protest: As the leaders came down the staircase from the first floor of Andhra Pradesh Bhavan for the press conference in the Ambedkar Hall on the ground floor, a small group of persons claiming to belong to the Andhra Pradesh unit of the National Students Union of India (NSUI) blocked their way and raised vociferous slogans against Mr Rama Rao and other Opposition leaders. The leaders took a side entrance to come to the Ambedkar Hall.

The slogan-shouting group, which included a few local persons also, waited outside until the press conference was over. As the leaders came they once again raised their arms and shouted pro-Rajiv Gandhi and anti-Rama Rao slogans. The security personnel prevented breach of the peace.

Later, four NSUI functionaries—all from Andhra Pradesh, including Mr B. Prabhakar Reddy, vice-president, and Mr Manoj Parishad, general secretary—

took strong objection to what they called "the action of the personal securitymen of Mr Rama Rao."

They alleged that just as they were dispersing after the demonstration, the securitymen of Mr Rama Rao and Mr Devi Lal attacked them with the butts of their rifles. "Most of us were seriously injured. We have been discharged from hospital after first aid." The police force detailed at the Andhra Pradesh Bhavan for the security of the Opposition leaders had merely "restrained them from progressing" but the attack was made by the personal security personnel of the Andhra and Haryana Chief Ministers, they said.

More Details, Names

46001558 Madras *THE HINDU* in English
25 Jul 89 p 1

[Text] For the first time in the country's Parliamentary history, an overwhelming majority of the Opposition members in the Lok Sabha resigned in protest in the wake of the findings of the C & AG report on the Bofors gun deal. The Opposition had demanded the resignation of the Prime Minister and his Government as they maintained that the report conclusively established wrongdoing on the part of the Government in the purchase of the howitzers for the Army.

In a reversal of roles over the past three days, treasury bench members booed, heckled and taunted the 69 Opposition members who, without being provoked, handed in their resignations to the Secretary-General of the Lok Sabha. Most shook hands with the Speaker, Mr Balram Jakhar before leaving the House. Except for the statements made by the Telugu Desam leader, Mr C. Madhav Reddi, Mr Basudeb Acharya (CPI-M) [Communist Party of India-Marxist], and Mr Madhu Dandavate (Janata Dal), which were drowned out by boos from the treasury benches, there were no other actions from the Opposition. Since the beginning of the session last week, the Opposition had stalled proceedings for three days demanding the resignation of Mr Rajiv Gandhi and the Government.

Mr Gandhi was present in the House today—the first time this session. He watched the resignation drama impassively from his front row seat. Among those who resigned were his cousin and former Minister, Mr Arun Nehru and the former Finance and Defence Minister, MR. V. P. Singh. Other Opposition stalwarts who will not be seen in this Lok Sabha include Mr Indrajit Gupta (CPI) [Communist Party of India], Mr Somnath Chatterjee, Mr Amal Datta, Mr Saifuddin Choudhury, Mr Suresh Kurup (CPI-M), Mr K. P. Unnikrishnan, Mr V. Kishore Chandra Deo (Cong-S) and Mr Dinesh Goswami (AGP) [Assam People's Council].

Members belonging to the National Conference, Muslim League and some independents remained in the House. As soon as the Opposition left, Mr G. M. Banatwalla (Muslim League) got up angrily to ask what the Speaker's

reaction 'to this mockery of Parliament' was. Without commenting, Mr Jakhar said: 'I only cherish the democratic process.'

The Minister of State for Information and Broadcasting, Mr K. K. Tewary alleged that a 'corrupt oligarchy' in the Opposition had 'forced' the others to resign and therefore the Speaker 'should not accept their resignation.' Mr Jakhar said he had no knowledge about the background to the resignations, but if there was something brought to his notice, he would consider it. Mr N. G. Ranga (Cong-I) rose to say something, but the Speaker disallowed him.

Before the day's sitting began, the public galleries and the gallery for Rajya Sabha members were packed to capacity. The Haryana Chief Minister, Mr Devi Lal, was seen seated in the Speaker's gallery. Some Congress(I) members were heard asking why the Rajya Sabha Opposition members were not also resigning. One of them told an Opposition member that by resigning he would be losing his pension.

After question hour was over, the Speaker announced the names of the 69 members who had submitted their resignations (with the submission of four more later, Mr V. S. Rao (TD) and Mr A. K. Sen (Janata Dal), Mr Charanjit Singh Athwal (Akali Dal) and Mr Ananda Pathak (CPI-M), the number has gone up to 73). 'I accept their resignations with immediate effect,' he announced. Then followed a procession of speakers from the Congress(I) benches who condemned the Opposition's action, accused them of running away from a debate, and asserted that Mr Rajiv Gandhi would come back to Parliament after elections as Prime Minister.

The Congress(I), however, had 'made a blunder' in not presenting the report in the budget session. If this was done, its impact would have died down by now. However, he thought after all the commotion created in the wake of the report, one good thing had come after the resignation of the Opposition. 'You will now have a peaceful time,' he told the Speaker amidst laughter.

The Speaker did not sound too relieved when he asked: 'Won't we all get bored?'

The Parliamentary Affairs Minister, Mrs Sheila Dixit, rose immediately afterwards to say that the Government had done 'nothing to stop' the presentation of the report in the budget session. As it required the signature of the President it could not be placed in the last session. 'The moment this was done we placed it in Parliament.'

Nation Elected To Head Colombo Plan Council

46001514 Madras *THE HINDU* in English
30 Jun 89 p 1

[Text] Colombo, 29 Jun—India was today unanimously elected president of the Colombo Plan Council for the next year (July 1989 to June 1990).

An Indian High Commission press release said the High Commissioner, Mr L. L. Mehrotra was unanimously elected for the post after being proposed by the Burmese Ambassador and the Australian High Commissioner who high-lighted his experience and association with the United Nations and the non-aligned movement and other multilateral agencies and organisations.

The Colombo Plan was launched in 1951 by the Commonwealth Foreign Ministers as a cooperative venture for the economic and social advancement of the peoples of south and south-east Asia.—UNI

Commerce Minister's Moscow Press Conference Reported

46001521 Bombay *THE TIMES OF INDIA* in English
23 Jun 89 p 15

[Text] Moscow, 22 Jun (PTI)—The commerce minister, Mr Dinesh Singh, yesterday ended three days of talks with Soviet leaders on increasing bilateral co-operation in trade, joint ventures and ties with individual republics.

Addressing a press conference at the conclusion of the talks, he said the trade turnover had already reached the target of Rs 70 billion this year, a 40 percent increase over 1988.

Mr Dinesh Singh had meetings with the Soviet vice-president, Mr Anatoly Lukyanov, the deputy prime minister, Ms Alexandra Biruyukova, chairman of the state planning committee, Mr Anatoly Maslyukov, and the minister for foreign economic relations, Mr Katu-shev.

He said over 55 joint venture proposals were under discussion. Asked about the small number of Indo-Soviet joint venture projects, as compared to Soviet-western projects, he said it was a new idea and would take time to get into the full gear.

Asked about Indian response to the Soviet plans for setting up free trade zones in the far east, Mr Dinesh Singh said India welcomed the move. He, however, noted that the plan was still in the stage of concept.

The Indian ambassador, Mr T.N. Kaul, who was present, said several companies had already shown interest in sending their teams to tour the Soviet far east and they would be doing so soon.

Answering questions about the Russian difficulty in finding enough rupee fund to buy from India, Mr Dinesh Singh said there was an idea to set up a revolving fund to overcome it.

On problems of transportation, he said a committee would be set up to look into them.

The proposed India trade centre in Moscow would be ready by 1992 and a similar Soviet centre would come up in New Delhi.

Polar Satellite Launch Vehicle Preparations Told

46001531 Madras *THE HINDU* in English
14 Jun 89 p 4

[Article: "Preparations on for Launching PSLV"]

[Excerpt] Madras, June 13—The Indian Space Research Organisation [ISRO] has made "good progress" in its preparations to launch the Polar Satellite Launch Vehicle (PSLV) from the Sriharikota island, according to top ISRO sources.

The PSLV is a four-stage vehicle that will place an indigenously-made 1,000 kg remote-sensing satellite in orbit. It weighs 275 tonnes and is 44.18 metres in height (as tall as a 14-storeyed building). The maximum diameter of the vehicle is 2.8 metres. The PSLV will be launched between April and June next year.

The third state of the PSLV, with about seven tonnes for propellants, was fired from Sriharikota (SHAR) about a month back and the test was successful. "The motor was cast and tested at the SHAR. It was a good test," ISRO sources said.

"We will have the static test of the PS-1 (first stage) big booster in August. The PS-1 is 2.8 metres in diameter and it will burn 125 tonnes of propellants," the sources said.

Booster motors: While the first and third stages will be powered by solid propellants, the second stage will be fired by liquid propellants and the fourth one also has a liquid engine. There are six strap-on booster motors attached to the first stage. Each strap-on motor is equivalent in thrust to the first stage of the erstwhile SLV-3 vehicle.

The PS-2 liquid engine was tested successfully in Mahendragiri in Tamil Nadu and the stage test will be done later. The test will be a "battleship version."

The fourth stage—PS-4—engine's endurance tests were already over and a few more tests in high altitude conditions would be performed. "These are good developments," the sources said.

Meanwhile, the infrastructural facilities are getting ready at the SHAR for next year's launching of PSLV. The Mobile Service Tower has been erected to its full height of 75 metres. It is in this tower that the four stages of the vehicles will be mated vertically.

The tower has air-conditioned dust-free rooms and huge lifts on top of another. Precision tracking radar is in an advanced stage of fabrication. All the avionics systems are under various stages of test and evaluation. (The term "avionics" refers to the electronic and electrical technology applicable to aviation and rocketry).

Work on ASLV: Work is also in progress for the launching of the third developmental flight of the Augmented Satellite Launch Vehicle. The second flight on July 13, 1988 was unsuccessful. The report of the Failure

Analysis Committee is being studied and the ISRO will incorporate some of the important suggestions in the third flight, which will take place in 1990.

Work is also under way at the ISRO Satellite Centre, Bangalore on the fabrication of the Indian Remote Sensing Satellite (IRS-1B), which will be flown by a Soviet vehicle. The IRS-1A, the first of the series of indigenous state-of-the-art remote sensing satellites, was successfully launched into orbit from the Baikonur cosmodrome in the Soviet Union on March 17, 1988. [passage omitted]

Country's Progress in Missile Development Reported

'Agni' Director's Interview

46001515 New Delhi PATRIOT in English
16 Jun 89 p 6

[Article by Sudhanshu Mishra]

[Text] Jaipur, 15 Jun—India has the capacity to develop the Inter-Continental Ballistic Missile, says Project Director of 'Agni' R. N. Aggarwal.

In an exclusive interview to PATRIOT, he said, however, much groundwork needed to be done.

About "Agni," the surface-to-surface missile launched last fortnight from Chandipur-on-sea, Mr Aggarwal said it had simply been a technology demonstration.

Mr Aggarwal, who has headed the project since its inception in 1983, said 'Agni' had in fact not completed its work. What had been demonstrated so far was only a single flight as 'technology demonstrator.' More flights were in the offing, he added.

Agni was part of the integrated missile programme constituting "Prithvi," "Trishul," "Aakash" and the anti-tank missile "Naag." But he declined to comment on which missile involved more sophisticated technology. All missiles were the most modern, which were still on the drawing boards of several developed countries, including the United States, he said.

Mr Aggarwal said "Agni" had opened boundless possibilities for the long-range missiles system. If the country needed such delivery systems, it could be made available, he added.

On a purely indigenous footing, one could talk of sophisticated missiles, he pointed out.

He informed that preparations were on for the second experiment of the "Prithvi" missile and work on all of its sub-systems. The missile's minimum range was 250 km and could be placed at par with the latest missiles of the two Superpowers.

He also hoped that the short-range missile "Trishul" would be introduced in the Indian Army by 1993.

Work on these missiles was on in the Defence Research and Development Organisation [DRDO]. Another land-to-air missile "Aakash" had already been experimented successfully. The third-generation anti-tank missile "Naag" based on infra-red system was also nearly completed.

He lauded the various scientific institutions, laboratories, the economy and industry of the country besides the 400 scientists of DRDL [Defence Research Development Laboratory] for making 'Agni' a reality.

Help to Space Research

46001515 Calcutta THE TELEGRAPH in English
16 Jun 89 p 5

[Text] New Delhi, 15 Jun (PTI)—The re-entry technology demonstrated during Agni's maiden flight on 22 May will have spinoffs in civilian space research, defence scientists have predicted.

Indian space scientists can use the re-entry technology to retrieve objects ejected from orbiting satellites, according to the Agni missile designer, Dr A.P.J. Abdul Kalam.

For instance, photographs taken by reconnaissance satellites or other experimental cargo can be safely returned to earth, and the re-entry technology will also enable India [to] build space capsules for bringing back humans in case of a manned space flight in future.

Agni's main mission was to test the ability of the first Indian-made heatshield to withstand the high temperature during atmospheric re-entry. Made of carbon composite, the heatshield is meant to protect warhead, but can also be used for safe return of perishable objects ejected from orbiting satellites.

Dr Kalam and his colleagues said the three-metre-long heatshield, Agni's vital payload, was not recovered after it splashed into the sea but data telemetered by the missile showed that it behaved well.

Dr Kalam said data sent back during the re-entry phase showed that temperature inside the shield was at 40BDC, while that of the surface rose to a peak of 3,000BDC at an altitude of 12 km.

Recovery of the heatshield was not part of the plan during Agni's maiden launch, Dr Kalam said. He said the payload recovery would be attempted during the next test flight that will take at least six months from now.

A special parachute is being designed by a defence institute in Agra for decelerating the payload before splashdown during the next flight. Dr Kalam said recovery of the heatshield and its physical examination would enable scientists to standardise its design.

Dr Kalam, who has left on an undisclosed mission abroad, said two more flights were planned for Agni. "The decision for regular production will have to be made at the political level," he said.

Meanwhile, preparations are on in full swing at the Defence Research Development Laboratory (DRDL) for the maiden launch of Akash, a surface-to-air missile and the second test flight of Prithvi, a 250-km range surface-to-surface missile.

Scientists said Akash would demonstrate the indigenously developed ram-jet technology. Prithvi, first test-flown in 1988, would use a miniaturised inertial navigation system during its second flight.

Scientists said they had also collected data on the destructive power of Prithvi's warhead by actually exploding the warhead in special containment facilities at the DRDL.

Simultaneously with developmental flights, the Prithvi missile has entered production at the neighbouring Bharat Dynamic Limited under what is described as the "concurrent production programme."

Dr Kalam said most of the missile development activities had shifted from the DRDL to the newly-established Research Centre Immarat (RCI) complex, 6 km away. The sprawling Rs 1000 million RCI complex has been set up for developing advanced missile technologies in cooperation with university scientists.

The Defence Research Development Organisation (DRDO) has also launched a major drive to attract young talent to work on missiles and computer science, Dr Kalam said.

Every year, 30 graduate engineers are given fellowships for masters degrees while working at the DRDO, and at least seven universities have been provided with computers to train engineers.

Missile Project Consortium

46001515 Calcutta *THE TELEGRAPH* in English
10 Jun 89 p 4

[Text] Bangalore, 9 Jun—The Defence Ministry has formed a consortium to design, develop and produce all key components of the guided missile project. It is feared that last month's successful launch of the country's first intermediate range ballistic missile, Agni, might lead to a blockade in supply of the crucial components from abroad.

Dr A.P.J. Abdul Kalam, father of the integrated guided missile programme and the brain behind the successful launch of the Agni, said today, "Now we have been marked (by the countries from whom we imported components for our guided missile project). But we have already identified all critical components—about 15 of them—and formed consortia of industries, research laboratories and scientific institutions which will design, develop and mass produce these components. If we face difficulties in obtaining these components, we have already taken care of them."

Dr Abdul Kalam said that the largescale integrated chips, which accounted for five percent of the total imported components, in the Agni missile, were flowing in without a hitch at the moment. But the country was already in the process of manufacturing a 32-bit chip which would make the missile project self-sufficient. "This is just so that nobody strangles our project," Dr Abdul Kalam said. Dr Kalam was speaking on the Agni mission at a foundation day lecture of the National Aeronautical Laboratory here.

Dr Kalam said the missile launching operation would soon be converted into a mobile one. "Now the missiles are being launched from a fixed launcher but we are developing a mobile launcher" Dr Kalam revealed. The mobile launcher would be tried out soon but for now scientists were satisfied with the success of the re-entry technology which was one of the major objectives of the Agni mission. The heat shield of the Agni missile, which had proved capable of withstanding temperatures between 4000°C and 4000°C was a breakthrough in design and fabrication, he said.

The Agni mission has, for the first time, in the guided missile project, been monitored by a networking communication system, Dr Kalam revealed. The trajectory of the Agni flight was tracked simultaneously by two radars at the intermediate test range (itr) at Balasore, three telemetry system at the Istrac centre in Car Nicobar islands, one radar and one telemetry system at Shar and three telemetric stations located on Indian naval ships. They monitored the missile at its impact point in the sea. "All these were linked to the satellite communication network. This came in very handy. For the first time a networking of multiple ranges was established," Dr Kalam said.

Dr Kalam said the accuracy of Agni, which was a range off 1000 to 2500 km depending on the type of payload it carries, was absolute. "As Dr Arunachalam (scientific adviser to the defence minister) has already said the missile is embarrassingly accurate." He said that even if the missile deviated, the error was minimised by the explicit guidance system. The variation could be set right by the onboard computer by altering the trajectory.

Dr Kalam said that the breakthrough heat shield technology was not yet ready for sale. The technology has made India and its scientists proud, Dr Kalam said. "The heat shield technology, its design, development, testing and qualification methods are all our own."

Speaking on the problems encountered during the design and development stages of the Agni mission, Dr Kalam said the missile launch had to be put off twice because of temporary setbacks. Even as the missile was mounted on its launch pad ready for the launch in April, the computer has gone into a "hold" unable to manage the 50-odd operations demanded of it.

Production of Missile Devices

46001515 Calcutta *THE TELEGRAPH in English*
14 Jun 89 p 5

[Article by S. Srinivasan]

[Text] New Delhi, 13 Jun—The Defence Research and Development Organisation (DRDO) is working on a programme for manufacturing semiconductors and solid state devices for its missile project.

The solid state physics laboratory, one of the defence establishments involved in the research activity on electronic devices, is developing sophisticated chips for electronic scanning antennas, missile guidance, aircraft sensors and laser detection equipment. The laboratory has also undertaken a project for development of night vision equipment.

The traditional semiconductor material is silicon-based, but for specialised defence applications gallium arsenide technology is being developed as it has significant advantages. This chip has high-speed integrated circuits where electrons could move at much faster speeds than normal silicon chips, thus opening up a large avenue for applications. It also enjoys the characteristic of high radiation tolerance and could perform well on a wide temperature range.

The radars have worked on radio waves for ages but with enormous advances in the field, modern air defence and missile systems employ millimetre and infra-red waves. The short waves with 2 mm to 3 mm wavelength have very high frequency and could travel long distances. Now, with the help of infra-red band, the defence laboratories are developing thermal imaging systems which give the contour and shape of a distant object at night.

The system works on the principle that all objects, and especially tanks and other armoured vehicles, emit radiation. The sensor on missiles will detect this temperature difference to an accuracy of 0.5 degree Celsius to the atmosphere and home in on the target. The laboratories are developing the device for the indigenous third-generation anti-tank missile, Nag. This missile, similar to the U.S. Trigard, will have more than 10,000 detectors on a single chip.

The laboratory is developing a phased array radar for the medium-range missile, Akash, which has already been successfully testfired. This type of antenna scans the sky on a wide range and can also engage multiple targets for the missile. Speed is certainly a characteristic of the system and it can calculate hundreds of target locations per hour and can follow several enemy projectiles at the same time.

As it is well known that the chip is an integrated circuit equivalent to many transistors, its miniaturisation is one of the most daunting jobs. The solid state physics laboratory is working on chips which have more than 60,000 transistors. The laboratory has successfully grown large

mercury cadmium telluride and gallium arsenide crystals from which small pieces are chipped out on which circuits are etched.

The mercury cadmium telluride is a laser material used for development of laser crystals. The laboratory, under its four-year project, has already grown over 15 crystals. The development of crystals is a time-consuming job. It takes more than a month for a single crystal to grow and it could cost over \$900 if imported. The laboratory, which has only R and D facilities, expects to pass on the production job to Bharat Electronics Ltd. sometime in future.

The laboratory is planning to initiate work in solid state photomultipliers, new sources in microwave and mm wave regions, optical computer elements and other such sophisticated areas.

Communist Parties React to Developments in PRC

CPI-M Politburo 23 Jun Statement

46001520 Madras *THE HINDU in English*
24 Jun 89 p 9

[Text] New Delhi, 23 Jun—The Politburo of the Communist Party of India (M) [CPI] has come out in strong defence of the action by the Chinese authorities to quell the student unrest. In its view, the turmoil was the outcome of an imperialist conspiracy, a counter-revolutionary rebellion and a direct challenge to the socialist system.

The CPI(M) [Communist Party of India-Marxist] has attributed the unrest to the attempt of reactionary forces across the world to reverse the progress towards normalisation of Sino-Soviet relations. These forces led by the United States are directly aiding and instigating counter-revolutionary forces in China. It has called upon its rank and file to expose those spreading anti-Chinese slander in India.

In a statement on the recent developments in China, the CPI(M) Politburo says the timing of the agitation cannot be considered accidental as it came on the eve of the historic Sino-Soviet summit.

'Fabrication and Distortion?'

It blamed the bourgeois-controlled media for fabricating and distorting events and whipping up an anti-communist hysteria by openly supporting the conspirators. "The People's Liberation Army displayed tremendous restraint and patience for a long time in the face of violent unprovoked attacks in order to separate the mass of students and people from the conspirators who were challenging the socialist system."

The Politburo has attributed the removal of the former Chinese Communist Party general secretary, Hu Yaobang, in January 1987 to student actions characterised by trends seeking to restore capitalism and to replace

socialist democracy with bourgeois democracy. It thinks that the campaign launched by the Chinese Communist Party against bourgeois liberalisation then has not been carried out steadfastly and some problems arising from speedy economic reforms considered necessary for China's modernisation, accompanied by the growth of bourgeois ideologies, were utilised by certain sections to challenge the very socialist system and leadership of the Communist Party.

Drawing the Lessons

The CPI(M) is of the view that the Communist Party, the Government and the people of China will draw the necessary lessons and take the required measures for strengthening socialism and socialist democracy.

CPI-M Politburo 5 Jun Statement

46001520 Madras *THE HINDU* in English
7 Jun 89 p 9

[Text] New Delhi, 5 Jun—The politburo of the CPI(M) [Communist Party of India-Marxist] has expressed its concern and anxiety at the recent developments in China and said that it was deeply disturbed by the turn of events which led to the use of force resulting in the tragic loss of lives and injury.

In a statement issued here, it however pointed out that "in the absence of concrete demands this action (the occupation of the Tiananmen Square) spearheaded by a mischievous section misleading the mass of students could be considered as nothing else but a direct challenge to the socialist system and the ruling Communist Party in China."

Except for general slogans for "more democracy," the students who had occupied Tiananmen Square had neither placed concrete demands nor made clear what were the demands for which they were persisting in their agitation. It was also understandable [as published] why a negotiated settlement could not be arrived at during this long period, the politburo said.

That this action, "spearheaded by a mischievous section" could not be considered as anything but a direct challenge to the socialist system and the CPC [Communist Party of China] became clear from the fact that they had refused to suspend their occupation for two days during Mr Mikhail Gorbachev's visit so that the Soviet leader might pay homage to the martyrs.

"Imperialism and the western press are taking full advantage of the situation and denouncing the Chinese Government. The massive coverage given by the western press, the Indian big business media and the reactions of the imperialist powers are clearly aimed at denouncing socialism. This is also aimed at distracting world attention from the results of the historic Sino-Soviet summit which has further strengthened the forces of peace, democracy and socialism the world over," the politburo said.

The politburo expressed its confidence that the CPC, the government of the People's Republic and the Chinese people with "their glorious revolutionary traditions" would be able to resolve the problems and restore normalcy in an amicable manner without further damage to life and property. It also expressed the hope that the mass of Chinese students and their leaders would respond positively to these efforts.

'Call Off Talks' Plea

The BJP [Bharatiya Janata Party] president, Mr L.K. Advani, called upon the Government to call off official level talks with China due later this month. Noting that the Government had expressed its sadness over the happenings, he said that the "bloodbath in Beijing" called for a more forthright reaction.

In a statement, Mr Advani said, "Last Sunday's outrage at the Tiananmen Square in Beijing has shocked the whole world. The BJP condemns the brutal use of military power against unarmed students and citizens, whose only crime is that they have unfurled the flag of freedom and democracy in a society which was supposed to have reconciled to authoritarianism in perpetuity."

CPI Secretariat Statement

46001520 Bombay *THE TIMES OF INDIA*
in English 8 Jun 89 p 7

[Text] New Delhi, 7 Jun—The CPI [Communist Party of India] has expressed "profound concern at the tragic turn of events in China resulting in large-scale casualties." It said yesterday that the developments had naturally shocked "friends of socialist China."

In a statement, the party's central secretariat hoped that the Communist Party of China, which brought about the great Chinese revolution and had vast experience of building socialism in extremely difficult conditions, would take China out of the present crisis.

It also noted that imperialists "were trying to fish in troubled waters and were utilising these unfortunate events to discredit not only socialist China but also the noble ideal of socialism."

In tone as well as substantive analysis, however brief, of the cause of developments in China, the CPI appears to have taken a position different from that of the CPM [Communist Party of India-Marxist]. The CPI is quiet on the underlying causes and only accuses imperialism of fishing in troubled waters.

In contrast, the CPM politburo said, "In the absence of concrete demands, this action (of the students) spearheaded by a mischievous section misleading the mass of students could be considered as nothing also but a direct challenge to the socialist system and the ruling communist party in China." By implication, thus, the trouble was fomented by those opposed to socialism.

The politburo said it hoped that the CPC would be able to resolve the problems and restore normalcy in an amicable manner without further damage to life and property. It also hoped that the mass of Chinese students and their leaders would respond positively to these efforts.

Meanwhile, the general secretary of the newly-formed United Communist Party of India, Mr Mohit Sen, said the shooting down of unarmed, peaceful demonstrators in Beijing was "deplorable beyond words. As a communist, it makes one hang one's head in shame and rage."

He asked communists in India to condemn the Chinese action since the Beijing demonstrators were following the "Gandhian technique of non-violent action."

Mr Sen said the process of state to state normalisation of relations between India and China should continue. "This may contribute to the return of sanity on the part of the leadership in China."

The BJP [Bharatiya Janata Party] president, Mr L.K. Advani, condemned the "brutal use of military power against unarmed students and citizens, whose only crime is that they have unfurled the flag of freedom and democracy in a society which was supposed to have reconciled to authoritarianism in perpetuity."

"Indeed, it is ironic that at a time when under Mr Gorbachev Soviet communism has been sincerely striving to acquire a humane and liberal face, Chinese communism should have thus manifested itself in such horrifying ugliness," he said.

He asked the government to call off its official level talks with China due later this month and said the bloodbath in Beijing called for a more "forthright" reaction than the expression of "sadness" of the Indian Government.

Differences in CPI-ML

46001520 Calcutta *THE STATESMAN* in English
6 Jun 89 p 7

[Text] "It is anti-Marxist for Communists to fear the student movement." That was Mao Zedong speaking in 1966. It is surprising that the Naxalites in Calcutta are not unequivocal either in supporting the agitating students in China or in condemning the Army action on students in Beijing.

In fact, different Naxalite groups differ sharply on their study of the Chinese student movement and the role of the Chinese Government in tackling it. While some think that the students of China, suffering from "moral degeneration," are demanding democratic reforms of a Western type, others see in it the rumblings of another cultural revolution. Some brand the Deng Xiaoping regime in China as a "revisionist" one, others think that Mr Deng's economic reforms are necessary for China and he must be allowed time to consolidate.

Both Mr Sadhan Sarkar, leader of the Provisional Central Committee [PCC] CPI(M-L) [Communist Party of India-Marxist-Leninist], and Mr Ashim Chatterjee, leader of the Communist Revolutionary League of India, strongly condemn the Army action. A spokesman of the PCC CPI(M-L) says that forcible suppression of the students' movement must be condemned and more so in a Socialist country. Mr Chatterjee argues that the Chinese authorities should have countered the students "ideologically and politically" instead of shooting them down.

But while the PCC CPI(M-L) describes the student movement as "heroic" and thinks it is a "just struggle" of the Chinese people against "revisionists," Mr Chatterjee does not support the students. It is surprising because both of them brand the Deng regime as "revisionist." And while the PCC CPI(M-L) thinks that the Chinese people are following Mao's path and carrying out a movement against revisionism, Mr Chatterjee thinks the Chinese students are demanding the restoration of bourgeois democracy.

Mr Chatterjee thinks the events in China are the logical outcome of the economic reforms initiated by Mr Deng. "State capitalism" has been introduced "in the name of socialism." A confused student community is now demanding that private capitalism be given pride of place in the Chinese economy and State capitalism be made subordinate to it. The student action could have turned into a movement for the establishment of a "proletariat dictatorship" in China, but in reality this has not happened, he says. He thinks similar capitalist reforms have necessitated the introduction of perestroika in the USSR.

The Indian People's Front, which is one of the strongest Naxalite groups at present, has a diametrically opposite position. So far as the events are concerned, it has maintained a non-committal stand, merely recording them in its organ. But in an accompanying commentary, the organ has said the Communist Party of China had taken some "very important" steps in turning China into a truly socialist country. This commentary said China was still a backward country, which was why steps had been taken to develop science and technology. The commentary mentions the importance of strengthening democracy in China so that bureaucratic corruption can be kept in check, but it also highlights the chaos let loose during the cultural revolution.

Apart from these organized groups among the Naxalites, there are many others who claim that they do not belong to any group but nonetheless are vocal and react to international events quickly. Some of them think that the students' demand for democratic reforms is a logical consequence of the opening up of the Chinese economy. Similar developments have also taken place in Soviet Russia, they think. President Mikhail Gorbachev has been prudent enough to introduce, through glasnost and perestroika, the political reforms which must accompany the economic reforms initiated even earlier in the USSR.

Others, however, refuse to accept that the Chinese students are demanding a Western type society and highlight the students' demand about removal of corruption from Chinese society. Quoting the BEIJING REVIEW, they say that the Chinese students have not said anything against the Communist regime. They point out that the Chinese students have shouted slogans supporting the Communist Party and the constitution but have also demanded the elimination of corruption and Government profiteering. Mao, they argue, had warned about the dangers of bureaucratic arrogance within the party and the inevitable reaction that this must invite. They stop short of saying that another cultural revolution has started.

It is perhaps possible for the Naxalites to issue statements on the incidents in China because the Communist Party of China [CPC] at present does not maintain relations with any one of them. But other Communist parties have so far remained silent. A CPI spokesman said on Monday that they could not issue a statement on the Army action on Chinese students readily because the CPI had a "party-to-party" relationship with the CPC. The CPI(M) in Calcutta evaded the issue stating that it was for the central committee of the party to issue a statement. But observers pointed out that the CPI(M), too, had a formal relationship with the CPC. However, some West Bengal Pradesh Congress(I) leaders were critical of the "ruthless repression" of pro-democracy demonstrators in China. A hand-written poster on a blank sheet of paper at the PCC(I) office condemned the firing.

Defense Puts Ban on Indian Agents for Weapons Purchase

46001561 Madras *THE HINDU* in English
21 Jul 89 p 6

[Text] New Delhi, July 20. The involvement of Indian agents by foreign suppliers in the purchase of "weapons" and "weapon systems" has been "absolutely prohibited."

The Defence Ministry on April 17, issued a circular listing instructions relating to engagement of Indian agents. "There will continue to be a ban on the involvement of agents in the purchase of weapons and weapons systems," the circular said.

"Notwithstanding the general policy circulated by the Department of Expenditure on January 31, 1989, the intercession of agents in the induction and acquisition of weapons and weapon systems is prohibited," it said.

The Defence Ministry's "instructions," which supplemented the policy on Indian agents of foreign suppliers announced by the Finance Ministry in an "office memorandum" on January 31 this year, were placed in the Lok Sabha today as part of the statement on "action taken" on an assurance.

The assurance related to the report of a committee under the then Defence Secretary, Mr S.L. Bhatnagar, which went into the "alleged payment of commission" in the West German submarine deal. The Defence ministry instructions were based, among other things, on the Bhatnagar Committee recommendations.

It made clear no agent shall be involved in the technical and commercial negotiations for the acquisition of weapons and weapons systems, "irrespective of whether such purchases do or do not involve the transfer of technology and subsequent licensed production in India."

However, there will be no bar to the involvement of Indian agents in the implementation of projects for the licensed manufacture "subsequent to the conclusion of contracts for the purchases of 'weapons and weapon systems'".

The Finance Ministry policy circular of January 31, among other things, regulates the representational arrangements through a system of registration and makes it obligatory for the foreign suppliers to declare the services to be rendered by their agents and remuneration payable to them.

The Defence Ministry has issued guidelines in this regard in addition to the Finance Ministry policy.—UNI

Janata Dal General Secretary Resigns Post

46001566 Madras *THE HINDU* in English
11 Jul 89 p 9

[Text] Mr Yashwant Sinha today resigned as general secretary of the Janata Dal in protest against the "totally unacceptable" style of functioning of the party leadership.

Mr Sinha, who is close to the senior Janata Dal leader, Mr Chandra Shekhar, also resigned from the recently constituted seven-member committee for sorting out organizational problems. He communicated his decision to quit both posts in a letter to the party president, Mr V. P. Singh.

President Rejects Janata Dal Plea To Prosecute Gandhi

46001569 Bombay *THE TIMES OF INDIA* in English
16 Jul 89 p 1

[Text] New Delhi, July 15 (UNI): The President, Mr R. Venkataraman, has rejected the Janata Dal leader, Mr Shanti Bhushan's plea for sanction to prosecute the Prime Minister, Mr Rajiv Gandhi, for allegedly having committed the "offenses of accepting bribes in the Bofors gun deal."

The July 10 presidential order followed a request for sanction under section 6 of the Prevention of Corruption Act, 1947, punishable under section 161 and 165, IPC [Indian Penal Code], by Mr Shanti Bhushan.

The order said "the application of Mr Shanti Bhushan for sanction of prosecution of the Prime Minister is hereby rejected."

Releasing the exchange of letters between the office of the President and Mr Shanti Bhushan, a Janata Dal spokesman said Mr Shanti Bhushan had sought certain clarifications on the presidential order.

Mr Shanti Bhushan had contended that the order failed to give any reasons for the rejection of the request for sanction. "It is also not clear whether the order has been issued by the President on his own or on the advice of the council of ministers or any member thereof," he said.

Former Rival Faction Leader AIADMK Joint Head

46001567 Madras *THE HINDU* in English
14 Jul 89 p 1

[Text] Madras, July 13. There was celebration at the AIADMK's [All India Anna Dravida Munnetra Kazhagam] headquarters office on Lloyds Road here this morning as former Tamil Nadu Minister and leader of a rival faction, Mr R. M. Veerappan, joined the party in the presence of its leader, Ms. Jayalalitha.

The occasion also marked the visit of Ms. Jayalalitha, General Secretary, to the party office after more than three months. After the Assembly incidents of March 25, she was in hospital for about a week and later went into a shell. She was to have attended office yesterday but the visit was put off to coincide with the induction of Mr Veerappan into the party.

From around 9 a.m., a crowd began to collect at the party office and it kept swelling with the passage of time. Bursting of crackers greeted the arrival of each party leader and there was a virtual stampede as Ms. Jayalalitha, accompanied by Mr Veerappan, reached the office at 10:25 a.m.

After a brief meeting with the party leaders and legislators, Ms. Jayalalitha announced at a press conference that Mr Veerappan was being appointed as the Joint General Secretary of the AIADMK. (The other senior leaders of the party have been designated as Deputy General Secretaries, with Mr S. Raghavanandam as the Senior Deputy General Secretary). The new post grants Mr Veerappan the second position in the party next to the General Secretary.

Along with Mr Veerappan, many of his supporters including a few MPs [Members of Parliament] and former MLAs [Members of Legislative Assembly], joined the unified AIADMK. They included Mr S. Jagathrakshakan, Mr K. R. Natarajan, Mr Soundararajan alias Nallasivan and Mr Thangarasu (all MPs), Mr 'Saidai' S. Duraisami, Mr R. Mohanrangam and Mrs E. V. K. Sulochana Sampath.

Invited: In a brief written statement, Mr Veerappan said "accepting the verdict of time, the sentiments of the

cadre and the invitation of the General Secretary, I have taken this decision." At the press conference, he said "those who think I have taken a delayed decision can feel happy that I have done it now; if you want to know why I have joined now, you will understand it in course of time."

Both he and Ms Jayalalitha told reporters that this was not an occasion to go into such questions. "We are all happy over the decision."

Asked if other leaders like Mr V. R. Nedunchezian and Mr S. Ramachandran would be invited to join the party, Ms Jayalalitha said "I understand Mr Nedunchezian has retired from active politics. As for Mr Ramachandran, he will never be readmitted into the party because he is a destructive element." What about the former Speaker, Mr P. H. Pandian? She said "so far he has not expressed such a desire and continues to function independently. So the question does not arise."

She explained that the black flag demonstration had been only temporarily suspended and that she would consult the Congress(I) and other friendly parties on chalking out other forms of protest or agitation.

Ms Jayalalitha said the TNCC(I) [Tamil Nadu Congress Committee] President, Mr K. Ramamurthy, was in constant touch with her and further discussions on all issues of common interest, including the Panchayat Raj Bill, would be held on his return to Madras.

To ignore rumors: To a specific question if she was planning to hand over the leadership of the AIADMK to Mr Veerappan and retire from politics, she said "I make it a point not to answer to rumors." She clarified that she was still undergoing treatment and there was good progress in her health. "It is too early to talk about seat sharing or campaign for the Parliamentary elections," she added.

There was a mild protest from a section of the youth gathered in front of the party office because they could not see their leader. There was another show of protest against Mr Veerappan joining the party with some groups shouting "so you have come here at last."

Earlier, Mr Veerappan called on Ms Jayalalitha at her Poes Garden residence and she welcomed him with a 'ponnadai'. Then they drove together to the party office on Lloyds Road.

Burmese Insurgents Seek Merger With Nation

46000165 Calcutta *SUNDAY* in English
9-15 Jul 89 pp 54-55

[Text] The mandarins in India's foreign and home ministries are now in a flap. Much to their embarrassment, a tribe called Zomi, inhabiting Burma's Chin and Rakhine (Arakan) state and the Chittagong Hill Tracts (CHT) in Bangladesh, has sought the "merger" of its lands with India. Though New Delhi has categorically told the Zomi leaders that it does not support their

demand, some Zomi organizations have already declared that they have "ceded" their territories from Burma and "joined" the Indian Union. Burmese Zomi areas are contiguous to Mizoram and Manipur, while the CHT has a long border with Mizoram.

Zomi is a new generic term by which the highlanders of the Mizo ethnic stock, split into 44 clans and belonging to the Tibeto-Burman linguistic group, identify themselves. Sporadic insurgency has already begun in the Chin state in Burma and the CHT. Two guerrilla bands are simultaneously fighting for the merger of the Chin state—having an area of 9,000 sq miles and a population of one million—with India. While the Aizawl-based Chin leader Tialkhal's outfit, Chin National Front (CNF), is the latest one to take to bush war, a joint front of three bigger groups—Burma Zomi Liberation Front (BZLF), Burma Zomi Students' Union (BZSU) and Chin Democratic Front (CDF)—have already got alarm bells ringing in Rangoon.

After repeated warnings proved ineffective, the home ministry acted tough and had L. Sanngama, the 40-year-old chief of the semi-insurgent Hill Tract Tribal Freedom Liberation Organization (HTFLO), arrested in south Mizoram. Taking the cue from the Zomis in the Chin state, the HTFLO has embarked on an armed campaign to secure the "merger" of the CHT (where the Zomis number about 50,000) with India.

Zomis are, however, undeterred by the snubbing from India. According to sources, a move is now under way to form a 'Provisional Zogam Government' in exile in India. The 'government' would represent all the factions fighting for the merger of their lands.

T. Gougin, a former Manipur minister and the 'representative' of the Chin insurgent groups in India, told SUNDAY at Churachandpur, in Manipur, that the BZLF president Mangthanpau, now living in exile in Bangkok, had planned yet another trip to New Delhi to convince Prime Minister Rajiv Gandhi that India should play the role of a "regional big brother" to save the Zomis in Burma. Mangthanpau's first visit to New Delhi on 16 November 1988, was a disaster. He got in touch with the Union minister of state for home, Santosh Mohan Dev, through AICC(I) general secretary Oscar Fernandes. Dev told him bluntly that India would not help the Chin insurgents. The Intelligence Bureau put him in an Indian Airlines airbus to Calcutta, from where he flew to Bangkok. His clandestine visit to New Delhi was arranged by Gougin.

Mangthanpau has sent two memoranda to Rajiv Gandhi. Pointing out that Zomi lands were transferred to Burma by the British, he has requested him to correct the "mistakes of history", and protect the Zomis, who are now facing "persecution and economic exploitation".

The decision to "merge" the Chin state with India was announced by the BZSU on 19 November, 1988, through posters. The Posters were carried to Mizoram by BZSU president G. Sewa Khap.

The demand for greater Mizoram raised by the Zomi Reunification Organization, of which Gougin is the vice-chairman, and the pro-democracy students' upheaval in Burma have, apparently, inspired the different Chin outfits to start a guerrilla war in their attempt to join India. According to Dr Dalliien Haokip, a BZLF leader, about 5,000 Zomis are now being trained in insurgency in the Chin hills. Meanwhile, a three-page document sent by Sanngama from the Lawngtlai jail in south Mizoram to Rajiv Gandhi reveals that the HTFLO has also raised a 1,300-strong force of armed volunteers to wage a "war" against Bangladesh. He has requested Rajiv Gandhi to allow them to "have the training (in arms) at Lawngtlai".

The authorities have not, however, imposed any restriction on the entry of BZLF activists into Mizoram and Manipur. Churachandpur is teeming with them, and the people on the Indian side have bought the merger idea. Said Thangkalal, a former Manipur MLA, "Chin land should come to us. The Zomis there are our people. We are the victims of history, as the British arbitrarily parcelled out the Chin and Arakan to Burma."

Papers Report, Comment on Pant Visit to U.S.

Pant Meets Delhi Press

46001560 Calcutta THE TELEGRAPH in English
11 Jul 89 p 1

[Text] New Delhi, July 10: India has agreed on more service-to-service interaction with the United States, but ruled out their suggestion of conducting joint naval exercises.

The defence minister, Mr K. C. Pant, on his return from an extensive tour of the United States, said the issue did come up during his talks with his American counterparts and it was made clear to them that there could not be any general naval exercise but specific suggestions could be looked into.

The defence minister said if any foreign ship visited Indian shores on port call it was certainly welcome but if there were any other specific suggestions then that would have to be separately looked into. This was because India did not participate in any kind of military alliances. The defence minister said the visit had helped the two countries in improving mutual understanding. By opening up some of the most sophisticated and "highly classified" defence facilities during the visit, the United States indicated its desire to strengthen nascent defence cooperation between the two countries, he added.

LCA Project

Mr Pant said the visit also helped in opening up discussions in certain areas of defence technology which were identified since 1987. Discussions were held on some specific items needed for the ambitious Indian light combat aircraft project [LCA]. Mr Pant said some progress had been made between the two countries but

there were some other areas left where there were "some delays." It had now been decided that a single-window approach would be adopted and the Patterson Institute had been made the window.

The American response of the LCA project was positive specially pertaining to certain systems and materials. Mr Pant said a time-frame for this cooperation in respect of certain items was likely to be settled after discussions at the experts' level. The minister said possibilities of certain items of underwater technology were also discussed. The American response to this sensitive area, however, had been negative and this too they had agreed to discuss at the experts' level.

The scientific adviser to the defence minister, Mr V. S. Arunachalam, who accompanied the high-powered delegation, said India was not looking for Carbon-Carbon technology for its LCA project and it had other options open. But India was certainly looking for certain kinds of fibers for manufacturing wings of the LCA aircraft. "We really want to make our light combat aircraft light and, therefore, we were looking for light materials," he said. Several other countries were manufacturing fibers and India too had some expertise but it was not going into it.

Mr Arunachalam strongly refuted newsreports that the French missile company Matra or the West Germans had collaborated in the development of Agni.

Mr Arunachalam said India was not trying to buy items off the shelf. The discussions with the American counterparts involved codevelopment of certain components and hardware.

Arms for Pak

The defence minister said he raised the issue of the arms race in the region and the American supply of F-16s to Pakistan. The U.S. response was that these were being sold to replace old aircraft. Mr Pant outlined how India was trying to improve relations with its neighbors bilaterally. In absolute terms, the defence budget was cut and this was an important signal, he said. Similarly, the two sides discussed the change in perceptions brought about by the Soviet pullout from Afghanistan. Mr Pant said the United States also recognized India's role as a stabilizing force in the region.

The Americans, he said, also appreciated India's role in Sri Lanka as they understood the complexities of the issues involved. The minister also explained the Agni missile project and how it was totally indigenous and only a technology demonstrator. The question of the Nuclear Non-Proliferation Treaty of signing the Missile Technology Control Regime did not come up for discussion. He said both the sides avoided any arguments. This helped in the creation of a "positive and constructive" atmosphere, he added.

More on Press Conference

46001560 Madras THE HINDU in English
11 Jul 89 p 9

[Text] The Defence Minister, Mr K. C. Pant, has said that there will be greater service-to-service exchanges between the Indian and U.S. Navies but he ruled out any joint exercises at this juncture.

Briefing the Press after his visit to the United States Mr Pant said that the idea of joint exercises did come up in the meetings he had with his counterparts, but his response was that the suggestions would have to be looked at in a specific context since India could not participate in any exercise relating to any alliance system. However he said that the U.S. Navy was welcome, as were other Navies, to make friendly port calls in India.

Mr Pant had discussions in Washington D.C. with the Defence Secretary, Mr Richard Cheney, the Vice-President, Mr Dan Quayle, and the National Security Adviser, Mr Brent Scowcroft. He also visited several institutions such as the U.S. Space Command and the North American Air Defence Command, the headquarters of the Atlantic and Pacific Fleets. He was accompanied by the Defence Secretary, Mr Naresh Chandra, and the Secretary (Defence Research and Development), Dr V. S. Arunachalam.

Rationale for development: Mr Pant said he gave U.S. officials the Indian rationale for the development of its Navy considering the issue of the so-called growth of the Indian Navy raised by some countries (not the United States). He said he told the U.S. officials that India had in the past not spent enough on developing the Navy to take care of its vast coastline, island territories and economic zones. He also pointed out that 95 percent of the Indian external trade used maritime routes.

The Defence Minister was at pains to point out that the purpose of his visit was not to carry some shopping list for defence technologies though these issues were discussed, but to improve the nascent ties that the two countries had developed in the area of defence cooperation. He said the two countries had common goals in some areas and differing perceptions in others. Exchanges such as the one he had undertaken helped in clearing the air and the "process leads to strengthening of relations in a very real sense," he added.

Arms for Pakistan: The U.S. arms supply to Pakistan also figured in the talks and Mr Pant put across to his American counterparts the Indian view that the arms supply relationship between the United States and Pakistan was redundant considering the withdrawal of the Soviet forces from Afghanistan. He also pointed out to the United States that India had cut its defence expenditure in absolute terms and that this should be taken into account by its neighbors. Mr Pant said that the U.S. response to Indian questions on the sale of additional

F-16s to Pakistan was that the aircraft were for replacement of the earlier and older aircraft.

Responding to a question on India's larger regional role, Mr Pant said that there was a clear perception in the United States that India's role was leading to the stabilization of the region and there was appreciation of this fact as well as of India's role in helping its neighbors in overcoming problems.

Agni launch: Mr Pant said that the issue of nuclear non-proliferation and the launch of the Agni did figure in the talks but were not taken up in any great detail. With regard to the latter issue, he explained to the U.S. officials that India would develop all the technologies it deemed fit to preserve its national interests and would not accept external restrictions. He said there were no suggestions that India participate in the Missile Technology Control Regime of 1987. However Mr Pant did say that he got the distinct impression that the U.S. side wanted to avoid arguments and therefore contentious issues were by and large avoided in the interests of giving a positive tenor to the exchanges.

Referring to the light combat aircraft programme, Mr Pant said that during the delegation's visit to the Wright Research and Development Center, the nodal center for funneling U.S. technologies for the Indian LCA programme, the issue of delays in some areas was taken up. It had been decided to expedite cooperation between the two countries on the co-development of some systems and materials for the LCA programme as well as examine the possibilities of cooperation in respect to certain areas of underwater warfare technology. Hitherto the U.S. response to this last mentioned area was negative, but now the Americans have agreed to discuss this at the experts level. The discussions at WRDC also covered other LCA requirements such as flight control and avionics integration.

TIMES OF INDIA, UNI Reports

46001560 Bombay *THE TIMES OF INDIA* in English
2 Jul 89 pp 1, 13

[Article by Gautam Adhikari]

[Text] Washington, July 1. Contacts between the defence establishments of India and the United States will be significantly stepped up following the visit of the defence minister, Mr K. C. Pant, to this country. The minister said that an important outcome of his visit was the development of greater understanding between the two sides of each other's strategic views.

Differences persist over a number of strategic questions, but there was a frank exchange of views at all levels, and this should lead to a better understanding, Mr Pant said in a conversation with TOINS.

On specific matters like transfer of technology, good progress is reported to have been made. A date for building a prototype of a light combat aircraft (LCA),

which is a project on which the two countries are trying to collaborate, is likely to be announced soon.

In Mr Pant's assessment, the Pentagon has its own role in policy-making in this country. It was suggested to him that contacts between the Pentagon and the Indian defence ministry should be stepped up from their current level. A programme of exchange has, therefore, been drawn up.

It can be noted in this connection that Pakistan's military establishment has much greater contacts than India's with the Pentagon. Senior personnel of Pakistan armed forces regularly visit the United States to maintain the contact at a high level.

In September, the National Defence University here will organize a seminar on Indian defence policy. Apart from service personnel, defence analysts and a few retired senior officials of the Indian armed forces will attend the seminar. The experts will include strategy specialists such as Mr K. Subrahmanyam and Mr Jasjit Singh, the current chief of the Institute for Defence Studies and Analyses. A delegation from the National Defence College in Delhi will also arrive here next month.

Mr Pant would not describe his talks here as the start of a new phase in the bilateral defence relationship. "But we have taken note of their complaint of a lack of interaction and are going to do something about it. We feel there is everything to be gained from frequent exchanges of views," he said.

The defence minister expressed his reservations on the continued U.S. supply of sophisticated arms to Pakistan. "We feel this does not help the reduction of tension in the region," Mr Pant observed. "It imposes an extra-burden on India to safeguard our interests at a time when the Indian government had given a signal of its good intentions by actually reducing its defence budget." The defence minister pointed out the various steps India and Pakistan had taken in recent weeks to improve relations and the progress that had been achieved in solving the Siachen dispute.

He made it clear that his was not a shopping expedition for technology. However, progress was achieved on discussions about the LCA, particularly over purchase of composites and the co-development of a fly-by-wire technology. "The response has been very positive," the minister noted.

On nuclear issues, there was no argumentation really, Mr Pant said, referring to his official talks. The American side expressed its general concern over nuclear proliferation in south Asia, while Mr Pant reiterated the Indian view that nuclear proliferation was a global issue and not a mere regional one.

At his meeting with academicians and the press, he was asked many questions on this issue and he suggested that the United States could do more to make Pakistan desist from pursuing its nuclear ambitions. He also suggested

that the region in this connection should include China, as it was clear that without China's serious participation, there could be no meaningful attempt to reduce nuclear tension in the region.

UNI adds: Asserting India's right to go ahead with the missile technology development programme, Mr Pant said the missile technology control regime, subscribed to by United States and its allies seeking to prevent the proliferation of missile technology was "discriminatory" to countries like India.

Speaking on "philosophy of Indian defence" to the Cambridge group at the Massachusetts Institute of Technology in Cambridge, Mr Pant said the role of India's armed forces was strictly defensive and meant to safeguard the autonomy of the country's decision-making and development processes.

"We have to ensure that the turbulence in the countries around us does not spill over into our territory," he said.

Mr Pant said the strategic interaction of the three largest nuclear powers—the United States, the Soviet Union and China—was a vital factor in India's security calculations.

"India does not subscribe to the doctrine of nuclear deterrence but it just cannot afford to overlook the fact that three major nuclear powers operate in its neighborhood and Pakistan is engaged in a nuclear weapons programme," he said.

The defence minister pointed out that India and other non-aligned countries had repeatedly proposed in the United Nations that the use and threat of nuclear weapons be outlawed. But seventeen militarily significant industrialized nations, including three nuclear weapon powers, had consistently opposed these moves, he said.

India, having demonstrated its nuclear capability, had exercised enormous restraint in not producing a nuclear arsenal. "This has gone totally unappreciated by nations which assert their belief in the doctrine of nuclear deterrence," he observed adding that the Prime Minister Rajiv Gandhi, had proposed a three-phase programme of elimination of nuclear weapons.

STATESMAN Correspondent

46001560 Calcutta THE SUNDAY STATESMAN in
English 2 Jul 89 p 1

[Article by Warren Unna]

[Text] Washington, July 1.—In an historic first-ever visit of an Indian Defence Minister to the United States of America, Mr K. C. Pant has spent this week touring American military installations and talking with top U.S. officials under what he characterized as "promoting closer understanding, including in the sector of technology."

He emphasized to reporters at a Press conference in the Indian Embassy last night that, "I did not come here with a shopping list." But he also acknowledged that he found "the response was positive" to India's interest in U.S. technological collaborations.

The one big item already approved had been U.S. Government permission to the General Electric Co. to sell India an engine for its Light Combat Aircraft (LCA). The LCA's first flight hopefully is to take place in 1992.

But as a follow-through to that, Mr Pant and his high-level aides held discussions on "fly-by-night" technology to give the LCA a 24-hour capability. India's defence team also discussed what the Minister characterized as "underwater technology"—anti-submarine devices. This week's talks, particularly those held on Thursday and yesterday at the Pentagon, also went into anti-missile defence technology.

One particularly intriguing proposition involves the U.S. Northrop Aviation Corporation's phasing out of its F-5 fighter whose last three planes are to be delivered this month to Singapore. This also has meant a phasing out of Northrop's companion TF5 trainer. Before Mr Pant even came here, the U.S. Government offered to sell India its now-surplus inventory of 12,500 F-5 manufacture tools, which it values at \$140 million for a "give-way" price of \$1.5 million. Northrop is negotiating to sell India its own share of the tool inventory for an undisclosed price.

The object of all this is to assist India manufacture its own advance jet trainer to cut down on accidents by permitting greater pilot flying time. And an added incentive is said to be adding to India's growing military export business by providing it with the tools to service the 1500 F-5 planes still remaining in the global inventory.

Indian officials said last night that they were going to take a close look at all these U.S. defence items during the next few weeks. One key aide accompanying Mr Pant openly predicted: "something will be worked out."

The warming up on Indo-U.S. defence relations—something a number of U.S. defence officials have been patiently courting—follows debut visits to India by two U.S. Defence Secretaries—Caspar Weinberger and Frank Carlucci—during the last part of the preceding Reagan Administration, and Pant's sudden decision to take advantage of a long-standing reciprocal invitation to visit the United States of America.

One technological item India has long sought from the United States of America is the "air combat manoeuvring instrumentation" complex (ACMI), a highly-sophisticated machine which monitors airborne mock fighting exercises for accuracy by recording pilot performance with complete technological objectivity. It now is learnt that this particular technological transfer to India has been held up for two reasons: (1) The U.S. Air Force and Navy want to supervise the training in India—

something which India does not welcome; and (2) the Cubic Corporation, the ACMI's manufacturer, wants to sell only its services to India, not the actual product—and again the Indian Government does not welcome an American company encamped on Indian soil scoring its pilot expertise.

Mr Pant's visit is the first here since two highly-controversial matters affecting Indo-American relations: India's launching of its Agni missile, which added to U.S. apprehensions still smoldering since India's 1974 detonation of an atomic device; and the United States' recently singling out India, along with Japan and Brazil, for what it termed unfair trade practices which courted protectionist retaliation.

"Both matters clearly reflect a U.S. Congressional concern", one U.S. official handling Indian affairs conceded. But then he noted that India was not seeking U.S. missile technology (and Mr Pant told his press conference last night "Agni was an indigenous effort and the proposition that we protect ourselves does not need any affirmation").

This U.S. official characterized the now-concluding Pant visit as "a nice effort to keep things on an even track after all the bumps."

During this week here, India's Defence Minister visited the U.S. Rocky Mountain headquarters for the air and space commands, the Wright-Patterson Aeronautical Defence Laboratories in Ohio (which are involved with the LCA technology transfer) and the U.S. naval base in Norfolk, Virginia. He capped this with two ceremony-cum-hard discussion days here at the U.S. defence headquarters in the Pentagon, the vast five-sided fortress which faces the capital from the state of Virginia's side of the Potomac river.

In addition to his talks with his counterpart, U.S. Defence Secretary Dick Cheney, Mr Pant had sessions with the U.S. Vice-President, Mr Dan Quayle, President Bush's National Security Adviser, General Brent Scowcroft, and some key members of the U.S. Congress who had not already left town for America's Fourth-of-July Independence Day holiday weekend.

Mr Pant leaves here today for Boston to visit a student son, and then flies on to Montreal to deliver a lecture commemorating the Nehru Centenary. Mr Pant's entourage included not only the Government's Science Adviser, Mr V. S. Arunachalam, but the Defence Secretary, Mr Naresh Chandra, the Defence Joint Secretary, Mr N. S. Sisodia, and the Vice-Chiefs of all three of India's Defence services.

UNI adds: The United States of America has not asked India to withdraw its peace-keeping force (IPKF) from Sri Lanka, Mr Pant said.

He said Sri Lanka's unilateral demand for the withdrawal of IPKF was unrealistic from the practical and logistical point of view.

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He said India was in continuous consultation with Sri Lanka and was withdrawing its forces depending upon the situation on the ground and implementation of the Indo-Sri Lankan accord in pursuance of which the IPKF had gone to the Island in July 1987.

Earlier, the U.S. State Department spokesperson, Mrs Margaret Tutwiler, explaining the U.S. stand on the Issue, said "we support all efforts to end violence and bloodshed in Sri Lanka."

"We hope that the two democratic countries (India and Sri Lanka) who have cooperated so closely in the past can develop a time table for the withdrawal of troops which will minimize the prospects of bloodshed in war-torn Sri Lanka while recognizing Sri Lanka's sovereignty and independence", she added.

TIMES Editorial

46001560 Bombay *THE TIMES OF INDIA* in English
12 Jul 89 p 12

[Text] India has quite rightly declined the invitation to undertake joint exercises in the Indian Ocean with the U.S. Navy. In view of the stand New Delhi takes on the presence of non-littoral navies in the Indian Ocean, it was the only course to adopt. But the fact that the Pentagon put forward the idea deserves to be noted both in this country as elsewhere. Clearly the two countries have travelled a long way indeed from the situation in which they were placed in 1971 by President Nixon's pathetic attempt to make a show of support for Pakistan in order to prove to China that the United States is a dependable friend. With the legacy of the Enterprise episode now overcome, the two countries seem ready to recognize that their basic interests are not in conflict. This has led to an explicit U.S. recognition of India's role in safeguarding stability around it, as strikingly brought out in the endorsement of the Indo-Sri Lanka accord, the recent Indian military assistance to the Maldives and the earlier Indian response to a Seychelles request in the anticipation of a similar contingency. While New Delhi is prevented by its historical position on the Indian Ocean from accepting the legitimacy of a U.S. presence in these waters, it is noteworthy that India remained silent about the big U.S. build-up in the Persian Gulf in the closing months of the Iran-Iraq war. This shows that a mutual accommodation is in the making, quietly and discreetly as part of a bargain under which the United States shows deference to India as a power important to its neighborhood and India to the United States as a global power with a derivative interest in the same neighborhood. Since New Delhi is equally sensitive about Moscow's legitimate concerns, there was never any question of this rapprochement with the United States being at the cost of the very important Indo-Soviet relationship.

The U.S. willingness to meet some of India's needs for military technology should be viewed in this broad context. Having come to accept that India and the United States have shared interests, the U.S. administration—or at least large parts of it—does not take an alarmist view of Indian plans for modernizing and upgrading its forces. There are, of course, issues like nuclear non-proliferation or ballistic missiles on which U.S. global policies put Washington at odds with New Delhi but both sides are learning to live with such differences. These do not inhibit cooperation in other spheres, though progress remains slow because of the U.S. fears about its technology getting into the hands of political or commercial adversaries. Another reason for tardiness is the mindset developed by American officials over the years when India was very much in their bad books. This is, however, changing as a result of growing contacts to which Mr K. C. Pant's just concluded visit has made a notable contribution.

PAKISTAN

Letter Writers Describe Lawlessness in Sindh

Sindh Situation Unbearable

46560046 Islamabad HURMAT in Urdu
29 May-5 Jun 89 pp 19-20

[Letter from Nawab Shah]

[Text] You certainly must have read about the situation in Karachi, Hyderabad, Sukkur, Nawab Shah and other places in the Punjab newspapers. The real situation is much worse. Though Sindh newspapers do not publish full facts for fear of the government, but whatever we have witnessed here are certainly examples of the worst kind of cruelty and terrorism. Mohajires [refugees] and Punjabis were once killed in large cities, but now people are being plundered and killed even in cities, villages and settlements. Kidnapping incidents have become common. Mohajirs and Punjabis are forced out of cars, houses, and vans, and left on the road after being robbed. Then, they are told to leave Sindh and go and live with their vagabond leader Nawaz Sharif [in Punjab]. Here there is great hatred against Punjab, which is abused profusely. People are deprived of their cars. With night-fall comes terror and fear. If any house is looted, nobody dares to come near that house. The terrorists make good their escape after finishing their obnoxious job. People do not dare to register their complaints. Motorcycles are forcibly taken away on the roads, and eight men have so far been kidnapped from our small settlement. Many cars and motorcycles have been taken away and houses have been looted. Now a new movement has been started. Wheat crops, ready to be harvested, are being burned down. Trees and fruit bearing trees are cut down at night. This is what is happening in our settlement, and some other towns, and the administration is doing

nothing and so is the bureaucracy. While this is happening in our settlement, colorful programs of the People's Party are being exhibited from the center. Dacoits have demanded 1 million rupees each for returning two men kidnapped from our settlement. People everywhere are terrified and frightened. Punjabi boys are beaten up at school. Their books are taken away and torn. Their pens, watches, and money are snatched away from them, their clothes are being torn. In March, when exams were being held all over Sindh, Punjabi boys were prevented from appearing in exams under a well organized plan. They are being dismissed from schools, colleges, and universities. There is a constant fear that they may be kidnapped from schools. Suzuki cars stop all of a sudden and take away the children. By day there is fear of abduction, by night fear of dacoity and banditry, fear of shops and granaries being burnt. The schools are full of risks. In short, danger is looming large everywhere. A few days ago, two captains of the army were seriously wounded in the sleeping compartment of Tezrao railway train at 2 pm in the afternoon, and two vagabonds escaped right in front of the policemen. The wounded were taken to CMH [Civil and Military Hospital] in Hyderabad by Shalimar train. During the night, posters are pasted on the walls and houses calling on samraj [imperialists] to leave Sindh and go back to Punjab where they belong. Punjabis are called "imperialists" and Jews. Posters are distributed, and people are forced to go on strike demanding that "murderous" Biharis should not be brought back. Anthems of "Sindhudesh" are sung regularly everywhere, in buses, motorcars, wagons, hotels, and shops. Similarly, Sindhudesh flags are flown over houses, and shops. Individuals supporting Sindhudesh are called "comrades." Red salutes are presented. Everything is done under a well organized plan. Thousands of families are migrating, and the Sindhis are very happy. Thus, these distressed and helpless Mohajirs and Punjabis will ultimately leave Sindh within 2 to 3 years. Business is completely at a standstill, and nobody wants to buy their shops. People are being told not to buy property and shops from others, and posters warn that such people will be doing so at their own risk.

The People's Party's program is designed to fool the nation. The real idea behind it is quite different. Sindh is being destroyed, and the people are being told that Sindh will be rebuilt according to new demands. Raja Daher's anniversary is celebrated. During this ceremony, vows are taken.

Perhaps you may not believe all this but this is the bitter truth. Trucks are looted on highways at night, and mostly the police are involved in these incidents. Truck drivers offering resistance are killed. These heart rending incidents have become an every day occurrence. Violence and bloodshed are being kindled with our own hands. These incidents are not published in the newspapers, nor do radio and TV have the authority to broadcast them. After hearing about the incidents taking place in Sindh, now listen to what I have gone through. Here we live in two houses. I live in one and the other one is occupied by

Capt. Amir Akbar who is also my father-in-law. He has two sons. One of them is 40 years old. He works in the telephone headquarters, and because of an accident he now limps. The younger son is 25 years old. He is a farmer and looks after the land. He has an FA [2-year college degree]. Two years ago, bullocks were stolen from his land. Court hearings in respect of this case are still continuing. After that, the dacoits looted his house and all his personal belongings including jewellery, weapons, and clothes, and his young son was kidnapped. He managed to escape and returned home on the sixth day.

Later on 5 February 1980 hell was let loose on us. This time they did not leave anything. Amir Akbar was suddenly attacked and fatally wounded by four Sindhis in broad daylight, in the presence of hundreds of people. He was taken to district Nawab Shah hospital 70 miles from the scene of the incident in a wagon. He died at 9 o'clock at night.

I filed FIR [expansion unknown] against the four men. No one in the city dared help me or express condolences for fear that Sindhis would beat them. Relatives came from the Punjab and returned after sharing our grief with us, and all of them advised us to leave Sindh immediately now that enmity had been created. There were so many things to be taken care of like changing the accounts of the land, accounts of the boys, obtaining approval for transfer of weapons, transferring bank accounts, consulting with attorneys regarding the case and appointing attorneys, settling issues relating to the sale of land and house, concerns about slump business, uprooting from Sindh and going back to the Punjab as refugees. Then there was the question of where we should go. I had to go to the court, police stations, and at the same time be careful because of the ever presence of death threat. It is like facing both ways. Even at night, we are not free of being attacked. No one is prepared to buy our shop, and there are thousands of other worries and anxieties.

Now we are faced with the same problems as at the time of the partition. We are surrounded by threats of being massacred, destroyed and looted. Families are being ruined. We are faced with two kinds of danger. We are presently hanging on the gallows, and we do not know when the sudden jerk will put an end to our lives.

We pray to God Almighty not to test us further, to have mercy on us, to forgive our sins. We acquiesce to his wishes, and we pray that He may spare us from further torment. Amen. Children are home after completing their studies. Unemployment is a big curse. May God protect everyone from this curse. It is better to die rather than to be unemployed. Many people commit suicide which is a big sin, but then disappointment in itself too is a big sin.

Dear brother, I have narrated my whole story. I need your prayers very badly. Please remember me in your prayers.

Eyewitness Account

46560046 Islamabad HURMAT in Urdu
29 May-5 Jun 89 pp 19- 20

[Letter from Mirpur Mathelo]

[Text] May Peace Be On You. Greetings. I have just returned from Mirpur Mathelo in Sukkur District. Before leaving for Mirpur Mathelo, I had read and listened to the statement of the chief minister of Sindh that the situation in that province was under control. The federal minister of the interior had also made similar statements. They said that the situation in Sukkur was particularly under control.

With this letter, I would like to bring to your attention the incidents I witnessed personally, and which I experienced myself during my 1-week stay there. I would also like to mention here that in Mirpur Mathelo I stayed with some relatives who belong to the MEO tribe of Rothak Hissar.

During my stay there, a dozen people attacked the standing crops of a former Punjabi settler. This settler has been farming in this area for the past quarter of a century. The attackers beat everyone present very severely, and they did not spare even the womenfolk and innocent children. They took away all the cattle with themselves. The villagers traced the attackers and identified them. Unfortunately, the police, despite knowing all the facts and figures, did not take any action.

A Jat settler in Faisalabad was allegedly told that if he were to cultivate wheat he would be killed. The terrified family did not inform the police about the alleged warning out of fear, and instead tried to settle the matter with the people who threatened them. During my stay, I also found that the standing crops of non-Sindhi settlers were burnt to ashes. Many Mohajirs are moving out of Nawab Shah, and going in search of some safe and secure place in the north. On a number of occasions, young motorcyclists stopped me and forcibly made me say "Jiye Sindh [long live Sindh]." If I had not done so, they would have killed me. In this area, you can see the Sindhudesh flag over every third or fourth house. Seeing this, I suggested that the people should protest to the authorities, and ask them for help. I was told that not only would such an action be useless, but it would be extremely dangerous. The administration cannot do anything to sympathize with them. If any person were to try to take any kind of action, a special kind of red mark is placed outside his house. This means that it is now the turn of the people living in that house. This situation reminds one of the condition of the few Muslim families living in the predominantly Hindu areas before the establishment of Pakistan.

On my return to Lahore, I contacted two leaders of the People's Party, and notified them about the incidents I witnessed. One of them contended by merely saying that this was the result of the actions taken by the autocratic government, during its past 11 years of rule. The other leader remained silent.

Rao Khursheed Ali Khan, Lahore

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