

since Minister of Economy Hamed Sayeh and Minister of Finance Mahmoud Hamed, both Qaisouni men, were still in the government and would continue Egypt's "open-door" policy.

Sadat's May Day speech

On 2 May President Sadat addressed a labour rally at Shubra el-Khaima, a suburb of Cairo. He attacked his Arab critics, but said he had no objections to the holding of an Arab summit conference to settle differences. But he wanted results and not an exchange of insults.

Sadat said he was ready to re-examine diplomatic relations with countries opposed to his peace initiative, namely Syria, Iraq, Libya, Algeria and South Yemen. He praised President Carter for his "principled" attitude to the initiative. The US administration was doing its best for settlement, he said.

Most of his speech, however, dealt with Egypt's domestic situation. He criticised Parliament for spending too much time and energy on "trivial" matters instead of concentrating on important bills such as the long-pending new tax system. He accused left- and right-wing parties of being Marxist and trying to drag the country back to the pre-1952 revolution days, acting subversively and "trying to destroy the social peace of the country".

Sadat also referred to the domestic controversy of the "Pyramids Plateau" project and said that he had requested Premier Mamdouh Salem to study the project, and to assure its feasibility or reject it.

Sadat informed Sudan's President Nimeiri the same day that he would hold an Arab summit conference at any time and place provided it was "merely symbolic get-together."

Referendum announced

President Sadat announced, in a statement reported by *Cairo Radio* on 14 May, that a referendum would be held within a week. Voters would be asked to give a "yes" or "no" answer to the following questions: Should those adhering to "atheist ideologies" be allowed to hold government or trade union posts, or write in the press and on the media? Should those who were responsible for "corrupting public life" before and after the 1952 revolution be allowed to take part in politics? Should those who had been condemned for crimes against public freedoms or for corrupting public life be allowed to

take part in politics? Should not the press be committed to the State "socialist-democratic" system and peaceful coexistence among the country's social classes?

The President's announcement came shortly after a long speech to Parliament in which he vehemently denounced his critics, whom he accused of instigating a "campaign of doubt" against the government's policies. "I will crush anyone who casts doubt but I will use democratic means," he said.

A decree was issued on 15 May designating 21 May as referendum day.

Communist Party founder killed

Henri Curiel, an Egyptian Jew and co-founder of the Egyptian Communist Party, was shot dead in Paris on 4 May. An ultra-rightist group, called Delta — the name used by the assassination arm of the Secret Army Organisation (OAS) which had fought against Algerian independence — claimed responsibility for the act saying they had killed Curiel because he was an agent of the KGB and a militant for the Arab cause.

MENA on 5 May quoted "a source close to Henri Curiel" as saying the dead man had been involved in Israeli-Palestinian peace contacts and that the Israelis with whom he had negotiated belonged to a group headed by Simcha Flapin, publisher of *New Outlook* magazine, who was in Paris the day Curiel was murdered.

A report in the *London Times* dated 11 May said that the pistol used to kill Curiel was that used in the murder of an Algerian night-watchman, also claimed by Delta, in December 1977 (see ARR 77/962).

Curiel had been imprisoned under King Farouq for his activities and again arrested under Nasser. He lived in France after he was deported from Egypt in the 1950s.

He supported the Algerian nationalists during their war for independence, for which he was imprisoned in France from 1960 to 1962. He was also among the founders of an organisation called Aide et Solidarite, which helped various clandestine movements abroad. At the time of the Schleyer affair in October 1977 he was placed under house arrest and ordered expelled from France following accusations, which he consistently denied, that he was a Soviet agent and a supporter of international terrorism.

Film industry scandal
Information & Culture Minister Abdel-

Muneim Sawi on 8 May formed a technical committee to examine the feasibility of bringing Arab and foreign investment capital into the state-owned Egyptian film industry, *MENA* reported. This came after growing controversy in Parliament and in the press over the proposals (see ARR 283, 281).

According to the Cairo right-wing opposition weekly *Al-Ahrrar* on 2 May, the financier involved in a proposed company to develop the film industry was a Saudi, Shaikh Saleh Abdulla Kamel, who had reportedly contracted the US firm Universal Artists to make a feasibility study with a view to a joint venture. The same report said that Shaikh Kamel had asked Sawi to cancel the deal following mounting pressure against allowing private investors to buy a stake in the industry, which is one of Egypt's major income earners.

Sawi himself had defended his stand in Parliament where he insisted that no contract had been signed, the Beirut-based *Middle East Reporter* said on 4 May. It was only "a letter of intent", he said, which committed the two parties to exploring the possibilities.

FOREIGN AFFAIRS

Concern over Nile sources

The Cairo weekly *Akhbar al-Yom* said on 13 May that Egypt and Sudan were studying reports about Soviet activities around the headwaters of the Blue Nile in Ethiopia. The Soviets had reportedly begun special studies on irrigation schemes around Lake Tana, where about 85 per cent of the Nile's water originates, though no specific details of these schemes were given. The report quoted Irrigation & Land Reclamation Minister Abdel-Azim Abul-Ata as saying that Egypt would not allow "the exploitation of Nile waters for political ends." He had earlier been quoted as saying that Egypt regarded any attempt to control the sources of the Nile as "direct aggression" against it.

The Ethiopian Foreign Ministry replied on 13 May by saying that the Egyptian statement was an intervention in Ethiopian affairs; no-one could question Ethiopia's unconditional right to use its natural resources for the benefit of its people. In using these resources Ethiopia would not antagonise "the oppressed masses in neighbouring countries", the statement added.