Workers Exhorted

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CAIRO, June 11—The Government moved to reknit the United Arab Republic's economic life today by urging the populace to "fight the battle of production."

The exhortations to produce more came as independent economic analysts reported here that the five-day campaign against Israel had been ruinous to the Egyptian economy. The analysts, who declined to be identified for publication, noted that the fighting had left the Suez Canal blocked, prospects for foreign credit and tourist revenues bleak, and the military arsenal badly depleted.

[In Amman, King Hussein called on all Jordanians to resume their work "in a spirit of discipline and courage," Reuters reported.]

Egyptian newspapers published a proclamation by President Gamal Abdel Nasser's political party, the Arab Socialist Union, stressing that the country's military future depended on the economic efforts made now.

It called on the populace to "fight the battle of production, from which we shall emerge

Continued on Page 19, Column 6

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EGYPT'S WORKERS URGED TO PRODUCE

Continued From Page 1, Col. 8

victorious to finance our military battles." The Interior Ministry also issued a decree calling on workers to return to their jobs "to increase production."

The Government has not yet announced any measures to cope with the severe economic effects of the war, but the National Assembly has empowered President Nasser to mobilize the country's labor resources as he wishes.

The people appeared to have heeded the call to resume work, after a day of demonstrations, although many shops remained closed. No major shortages have materialized in Cairo in the last week.

Downtown Cairo Patrolled

The supreme military headquarters, which issued a succession of communiqués during the fighting, was silent today and there were no signs of military activities in Cairo that would indicate political instability. Mounted policemen patrolled downtown Cairo to insure that order prevailed.

Egyptian soldiers wounded in the Sinai military campaign have begun to arrive at Cairo hospitals. No figures on the casualties were available.

The loss of manpower from casualties in the fighting is less damaging to the economy, the economic analysts said, than several other effects of the hostilities that will badly aggravate Egypt's shortage of foreign exchange and may in turn cause shortages of imported goods such as tobacco and grain. This could lead to disaffection among the populace.

Blockage of the Suez Canal, whose tolls have been the largest single source of foreign exchange, could cause considerable economic hardship. A report today by Mashour Ahmed Mashour, chairman of the United Arab Republic's Suez Canal Authority, said the waterway was blocked Friday by a series of Israeli air raids that sank a number of naval and civilian vessels, including tugs.

Task May Take a Month

Mr. Mashour said it would take "some time" to clear the canal. The economic analysts estimated that it might require a month or longer.

Revenue from the tolls paid by vessels passing through the canal amounted to $197-million in the last fiscal year. This foreign exchange is badly needed to pay for imported grain to feed Egypt's swiftly expanding population.

If the canal should remain out of operation for more than two weeks, the loss in foreign-exchange revenues would more than offset the benefits of a promise made to the Nasser Government by Communist China to provide $10-million in hard currency without conditions or a repayment schedule.

The Chinese offer was disclosed in the authoritative Cairo newspaper Al Ahram this morning. The paper, which is a sounding board for views and disclosures of the Nasser Government, reported that China had also offered to provide 150,000 tons of wheat—roughly 10 per cent of the United Arab Republic's annual import requirement—also without conditions.

'Imperialism' Denounced

Al Ahram said China made her offer in the light of Egypt's resistance to the "vicious imperialist conspiracy undertaken in collusion with and with the participation of United States imperialism." China's aid efforts are seen here as an attempt to undercut Moscow's ties with Cairo.

The United Arab Republic's losses in military equipment also represent a severe economic blow.

If, as is expected, the East-bloc nations undertake to make good these losses—which the Israelis have said include more than 500 tanks—Egypt will probably have to pay for the replacement, at least in part. For this she would have to use commodities such as cotton that she could otherwise sell on foreign commercial markets.

The crisis has halted tourist traffic. Cairo's hotels are empty of the travelers who had been pouring between $40-million and $80-million a year into Egypt's coffers, and it appears unlikely that vacationers will want to come back to Egypt for some time.

Shortage of credit is another major problem. It seems unlikely that foreign banks, notably those of the United States, will be willing to make credit available to Cairo. However, it is expected that the Soviet Union and other Communist nations will extend further aid.

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